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*15p
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NEWS SUMMARY

ENERAL

ZAPU, ZANU ans aised

odesia's transitional Govern-nt *appealed to nationalist* errillas to lay down their as and said it was lifting a g-standing ban on the ZAPU l ZANU parties.

statemtnt issued after a day-g meeting of the multi-racial ernment's Executive Council l that "the time has come to ng an end to the fighting." It been in touch with the rillas and most of them be-ed the battle for majority rule been won.

t the same time the council *ved to heal a rift over the* nissal of Mr. Byron Hove, the *k Justice Minister, who was* nissed after declaring that judiciary and white-led police ld be restructured in keep-*with the agreement to bring* najority rule.

amibia

UN committee established *he General Assembly to deal* the problem of Namibia uth West Africa) decided to mmend economic sanctions nst South Africa. Back and e 4

ameron changes thing—Premier

political storm over remarks hina by Marshal of the Royal Force Sir Neil Cameron, f of the Defence Staff, re-ing to the Soviet Union as "common enemy," was met Mr. James Callaghan, Prime ister, with an assurance that ain's relations with China the Soviet Union would not nge. Back and Page 10

ench troops led in Lebanon

least three French soldiers killed and seven wounded uerilla attacks against UN es in south Lebanon last t. They died when their oured car was destroyed by tank fire near Tyre. UN icks were also attacked and least seven men were ded. From Damascus, 's *Government-controlled* called for the overthrow of *dent Sadat of Egypt.* 4

e jail for MP's killers

men were sentenced in *urgh to life imprisonment* pleading guilty to murder-*Ir. Walter Scot-Elliot,* an r-old former MP. One of nen who had *once* been in Mr. Scott-Elliot's Lon-ome, *also admitted* that he illed another man.

ss row ends

k-long dispute which has publication *of morning* evening newspapers in ool ended last night. The ool Daily Post will ar to-morrow. *and* the ool Echo will be on the s this afternoon.

nposer dies

ram *Khachaturyian,* the composer, has died after illness, *it was reported* in v. He was 74. Page 15

fly . . .

n aged 30 was charged ght with the attempted of Miss Michelle Booth as attacked and *thrown* train six weeks ago, Scot-ard said.

een and Prince *Philip* are a series of short visits to Arabia, Kuwait *and* Iran ear.

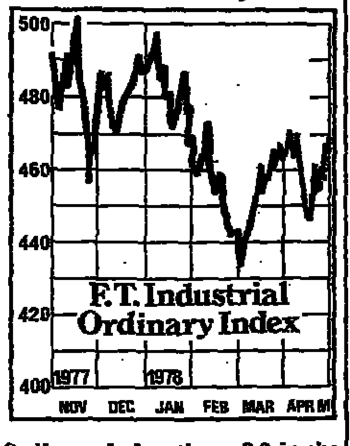
s Margaret has been con-bed with gastric flu, her bout of flu in a month.

s to receive about *£600,000* ritain to assist technical on.

BUSINESS

Equities up 3.9; Gilts drift

● EQUITIES recouped early losses following speculation *about the build-up of potential* investment funds, and the FT Ordinary Index, down 2.3 in the morning, closed 3.9 up at 469.6.



● GILTS drifted lower in light trading and the Government *Securities Index closed* 0.01 down at 71.27.

● STERLING and the dollar improved, with the pound gaining 20 points to $1.8265. Its trade-weighted index rose to 61.6 *(61.4), and the dollar's depre-*ciation narrowed to 5.04 per cent. (5.11 on Friday).

● GOLD fell $1½ to $169¾ in London, and the New York Comex May Settlement price *rose to $170.00 ($169.10).*

● *WALL STREET* closed 4.15 down at 840.18.

● STRONG upward pressure on *interest rates continued in the* money markets, with rates on *Treasury bills remaining above* the trigger point for an increase *in minimum lending rates from* the present 7½ per cent.

● U.S. ECONOMIC adviser Mr. *Charles Schultze has raised the* forecasted rate of U.S. inflation *from 6-6.25 per cent. to 6.75-7 per* cent. for 1978.

● BANK OF ENGLAND, in evidence to the Wilson committee on the financial institutions, has outlined its reasons for setting up the £1.2bn. lifeboat operation to support secondary banks. Back Page

● IMF team is to visit London next week to discuss with the Treasury whether the U.K. will keep the IMF standby credit for the rest of this year. Back Page.

● PORTUGAL has reached agreement on terms with IMF negotiators for $800m. worth of aid to cover her balance of payments deficit. Back Page

● BRITISH UNITED TRAWLERS has announced plans to transfer Grimsby's last *remaining* freezer trawlers to Hull, at a cost of 265 jobs.

● *U.K. BREWERS* have *agreed* to review over the next *six months the extent of local monopolies,* and will take steps to *increase competition.* Page 7

● TEXAS EASTERN, a U.S. group with a stake in several U.K. oil and gas fields, plans to invest more than $300m. in North Sea projects in the next five years. Page 7

● *CONSOLIDATED* GOLD MINES representatives are to meet the *Industry Minister* to seek a financial package to rescue the Wheal Jane tin mine. *Page 9*

● *STATE IMMUNITY* BILL, which will abolish the immunity *sovereign states enjoy* from suit in English courts under certain *commercial circumstances,* will have its second reading in the Commons *to-day. Back Page*

COMPANIES

● BRITISH HOME STORE pre-tax profit rose 6 per cent. to a record £27.02m. on sales of £273.6m. (£244.3m.) for the 52 weeks to April 1. Page 30 and Lex

Engineering union swings Right with election of Duffy

BY CHRISTIAN TYLER, LABOUR EDITOR, IN WORTHING

A strong swing against the Left in Britain's second-largest union has launched the little-known Mr. Terry Duffy into the presidency of the Amalgamated Union of Engineering Workers, in succession to Mr. Hugh Scanlon.

His victory over Mr. Scanlon's political heir, Mr. Bob Wright, assistant general secretary, could push the union's leadership into even closer co-operation with the Government's economic policies and attempts to restrain wage increases.

But it will not affect an expected policy decision against accepting a specific earnings target after July 31.

It could also herald a tougher line from the leadership against strikes in the motor industry and elsewhere.

Internally, it increases the chances of agreed merger terms with Mr. Frank Chapple's electricians, and raises the possibility that the AUEW's white-collar section, TASS, which is Left-wing led, will be pushed out of the amalgamation.

The Right-wing strengthened its control of the AUEW engineering section's national executive committee with the defeat of the Communist incumbent, seized one of the national organiser posts and inflicted extensive damage to the Left at district secretary level.

A 32.2 *per cent. return* in the postal ballot gave Mr. Duffy, aged 55, 169,168 votes to Mr. Wright's 122,251, despite predictions that the vote would be close.

Mr. Duffy said it had been a bitter campaign in which "Communists, Marxists, Trotskyists and Tribunites united and solidified as never before."

Warning

They had been aided by "very powerful sections of the Press," who had heaped praise on his opponent and criticised him.

The decision would mark no great change in policy, said Mr. Duffy, adding that on many issues he agreed with Mr. Scanlon. But his message was that there would be greater co-operation both with the Government to "project members' minds beyond the immediate pay packet," and with employers to find ways of tackling the problem of persistent and damaging strikes.

Mr. Duffy, who takes over the £6,250 per year post in October, said that while he preferred a Labour Government, he would be prepared to consult the Conservatives if they won the election. At the same time, he warned them against repeating the "silly mistakes of the past."

Announcing the voting results at the engineering section's conference here, Mr. Scanlon said: "This is the true democracy of our union that you see in operation. We have to abide by the results whether we like it or not."

Mr. Gavin Laird *maintained* his Scottish executive seat for the Right against *Mr. Calum McKay* with 19,074 votes to 10,173; and *Left-winger Mr. Laurie Smith lost* his job as a national organiser to *Mr. Bill Prichard* by 178,745 *to* 93,082.

As president, Mr. Duffy *will* occupy a seat on the TUC General Council and its key committees, and will become one of the six TUC leaders on the *National* Economic Development Council *who negotiate directly with* Ministers on economic strategy.

Mr. Wright, the *defeated* candidate, said that the decision *was a clear one and the majority* of members presumably *supported the policies which* Mr. Duffy had been advocating.

Impact of AUEW swing to right and Editorial Comment, Page 16

Warning from Yamani over fighter deal

BY DAVID BELL

WASHINGTON, May 2.

CONGRESSIONAL action to block the sale of fighter aircraft to Saudi Arabia will "diminish Saudi enthusiasm to help the West and co-operate with the U.S.," Sheikh Ahmed Zaki Yamani, Saudi Oil Minister, said in an interview published here to-day.

In the past the *Saudis* have given private warnings that they consider the *fate* of President Carter's plan to sell 60 F-15 aircraft to them as a key test of Saudi-U.S. relations. But to-day's interview in the Washington Post is the first time a senior Saudi official has given such a warning in public.

Sheikh Yamani's comments coincide with the visit to the U.S. of Mr. Menahem Begin, *Israeli Prime Minister,* who has *made no secret of his opposition to the proposed sale.* But there are some signs that Congress, *after initial misgivings,* is preparing to allow the sale which *is part of a three-way deal which* would provide aircraft for *Egypt and Israel.*

The Saudi Oil Minister said that he was not ruling out completely any linkage between the aircraft deal and continuing Saudi support for the dollar.

"It is not on the whole a pleasant thing for Saudi Arabia to continue to produce much more oil than it actually needs to sell to finance its development programme.

"We prefer right now to stay with the dollar. We do not want to further deteriorate the value of this currency. But this does *not mean that* we are not going to change our position."

Polite speech

Saudi Arabia *place great* significance on the aircraft deal. "If we do not get it, *then we* will have a feeling that you are not concerned with our security and you do not appreciate our friendship."

Speaking in characteristically polite terms, the Shiekh noted that although the Carter administration *fully* appreciated the importance of the arms sale, there *appeared to be an* imbalance in the weight each country *attached to the developing* special relationships between the two countries.

This has been taken here as an implied rebuke to the U.S. Congress which is considering the aircraft deal. The Senate foreign relations committee has asked the Administration to give it more time to consider the deal bu the White House, increasingly confident that sentiment in Congress is on its side, seems in no mood to do this. As things stand at present, Congress has 30 working days from last Friday to block the deal.

Mr. Begin left Washington *last night for Los Angeles where* he said that relations with the U.S. were muchc warmer *than* on his last visit a month ago. *But he conceded* that *serious* differences remained on the air-*craft deal and on the Israeli* negotiating position on the West Bank.

However, the new friendly atmosphere was encouraging and as a result of it "The Government of Israel will discuss serious issue. We shall be back in touch with the U.S. Government."

Editorial comment, Page 16
***Sadat speech,* Page 4**

Laing plans property offshoot

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

JOHN LAING and Son, the international contracting group, is considering launching its £85.5m. property investment division as a separately quoted independent company.

Laing reported in a statement issued yesterday with its 1977 results that the feasibility of this proposal was being examined by the directors in conjunction with N. M. Rothschild and Sons "in the light of the size and range of the property investment and property development activities."

Mr. G. Parsons, Laing's chief executive, said yesterday the property *launch had been under* consideration since the middle of last year. The Board felt shareholders would benefit from the creation of a separate property investment and development group whose size would not be obscured by the contracting side of the Laing business.

If the project goes ahead the new company could be on the market by the end of the year. Laing hopes to give a decision by the time of its annual meeting in June.

Talks are in progress with the Inland Revenue, major creditors and other interested parties. If no external problems arise, Laing expects to launch the new *company by means of a direct* issue of shares to existing Laing shareholders.

The Laing family and associated charities control more than 60 per cent. of the company. As these holdings would be retained in the new company, both would remain "close" companies.

Laing's shares leapt 16p to 149p on news of the proposals and on details of 1977 pre-tax profits, 30 per cent. ahead at £21.1m.

The property investment and development division, which would form part of the hived off property operation, completed properties worth £12m. in the year.

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Lex, *Back Page*

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FEATURES

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PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:

Chemical ...	76xd	+ 6
(A.)	50	+ 3
	630	+ 10
Dean	70	+ 6
Intl.	49	+ 4½
	54	+ 7
	111	+ 4
& General...	130	+ 10
Withy	268	+ 19
	551xd	+ 15½
	279	+ 5
)	207	+ 4
(Footwear)...	87	+ 11
	348	+ 6
Richards	128	+ 7
.) A	149	+ 16
Spencer ...	149	+ 3
Universal	166	+ 10
Bank	365xd	+ 9
Pochin's	110	+ 14
Racal Electronics ...	230	+ 6
Redfearn Nat. Glass	325	+ 5
Scott & Robertson ...	41	+ 4½
S.E.E.T.	55	+ 6
Vernon Fashion	98	+ 8
Vinten	106	+ 5
Wilson Walton	70	+ 5
Shell Transport	560	+ 8
Siebens (U.K.)	324	+ 14
Anglo United Dev....	134	+ 10
Northgate	370	+ 20
Pancontinental	£11¼	+ 1
Tara Exploration ...	£11	+ 1¾
Westfield Minerals...	87	+ 7

FALLS:

Treasury 12% 1983...	£104¼	− ¼
Southern Rhodesia 2½% 65-70	£55	− 4
Hampton Areas	128	− 5
Libanon	432	− 15
Loraine	84	− 9½
West Rand Cons. ...	121	− 8

Danger in curbs on Press freedom —Powell

By Ivor Owen, Parliamentary Staff

CURBS ON the Press in reporting proceedings in Parliament will also curtail the freedom of speech enjoyed by MPs when they speak in the Commons, Mr. Enoch Powell, the Ulster Unionist MP for Down South, warned last night.

The implications for Press freedom and for Parliamentary democracy itself arising from the events which followed the naming of Col. B, the Army intelligence officer involved in a secrets case, by four back bench Labour MPs last month, dominated a debate on the issue in the Commons last night.

The action of the Director of Public Prosecutions in warning newspapers that they might face proceedings for contempt of court if they publish the name of Col. B — broadcast on radio and television and reported in Hansard the next day — was strongly condemned by Mr. Powell.

"I cannot imagine a more direct assault upon the essential privileges of this House," he said.

Support

Mr. Powell argued that no distinction could be drawn between MPs having the privilege of free speech in the Commons and the right to publish what they said.

Nor, he maintained, could any distinction be drawn be-*tween* a report in Hansard and a report in a newspaper.

There was strong support for Mr. Powell from both sides of *the House, particularly from* Mr. Alex Lyon the Labour *MP for York, who urged* that it should be laid down that the courts *could not intervene* in the reporting of Parliament.

A motion referring all the issues involved arising from the name of Colonel B to the House of Commons Committee of Privileges was approved without a division.

Mr. Michael Foot, Leader of the House, stressed that final decisions on the recommendations made by the committee would be reserved for the House itself.

Parliament, Page 10

£ in New York

—	May 2	Previous
Spot	$1.8250-8260	$1.8250-8260
1 month	0.47-0.41 dis	0.49-0.45 dis.
3 months	1.17-1.11 dis	1.22-1.15 dis.
12 months	4.45-4.25 dis	4.40-4.10 dis.

Bonn attacks restrictions on competition

BY DAVID BUCHAN

BRUSSELS, May 2.

WEST GERMANY to-day strongly warned its EEC partners against the trend towards restricting competition within *the Common Market and the* erection of further protectionist *barriers against third countries.*

In a policy statement which amounted to a call for a return to the free market faith, Count Otto Lambsdorff, the West German Economics Minister, told the *meeting of EEC Foreign* Ministers in an unscheduled appearance:—

"The most important driving force towards adapting outdated industrial structures is competition in the market place."

The prepared statement was vigorously contested by other Ministers, led by Dr. David Owen for the U.K. and M. Jean Francois Deniau for France. Only Denmark came out in support of Bonn's position.

Summit

Dr. Owen said the issue of protectionism could not be considered "in isolation from other major concerns such as low growth, unemployment, and currency stability." The electorates "will not stand for simple laissez faire policies."

He strongly urged that protectionism should be only one of many issues to be prepared for top-level discussion at the forthcoming Bremen EEC summit and the Bonn world economic conclave in July.

Count Lambsdorff's warning came during a discussion of the *Brussels Commission's move last* month to introduce surveillance *licensing on shoe imports coming* into the Community. The step *is regarded by the Bonn Govern*ment as heralding major protectionist *measures on footwear* and adding to a lengthening list *of crisis sectors which now* includes steel, textiles and shipbuilding.

On shoes, the Germans wanted the council to overturn the Commission's licensing system. This found no support among other member States.

But Viscount Etienne Davignon, EEC Industry Commissioner, promised to propose to the council a more flexible means of monitoring shoe imports by mid-June. By contrast, Ireland sought to get from to-day's council meeting permission to introduce unilateral curbs against shoes from Poland and the Far East.

The final compromise, which seems to have satisfied Irish Ministers, is that the EEC Commission will try to negotiate a restraint agreement with the Poles, whose shoes imports into Ireland, according to the Irish, are 500 per cent. higher this year over 1977 levels.

If these talks fail, then Ireland can introduce measures against *Poland.*

In spite of the fact that six member states, including the U.K., have their own historic quotas on East European footwear, Ireland's partners felt unilateral measures would be unwelcome at this stage.

The footwear issue was dwarfed by the sharp debate on protectionism that it provoked. Significantly, Count Lambsdorff conceded that his Government would go along with "temporary transitional measures" for problem sectors "in narrowly defined, exceptional cases."

He singled out the example of "a synthetic fibre crisis cartel, that conforms with EEC and national competition law and by means of which excess capacity would be dismantled." This was a reference to the cartel for which a dozen EEC synthetic fibre companies, including Bayer and Hoechst, of Germany, are trying to win Commission approval.

Agreed

But the main thrust of the West German Minister's speech was that extrnal protectionism "of the classic kind" would only encourage retaliation against the export-oriented economies of the Community—of which West Germany is the foremost.

He also attacked the increasing intervention of the Commission and the Community in wide areas of EEC industry. Bonn, he said, had only *reluctantly agreed to* steel and textile measures, and in general. *Governments and European civil servants should not take the lead in restructuring* industry.

Count Lambsdorff went on to criticise attempts by the Com-*mission to pick "winners" in* industry. "The drawing up of a *list of growth industries" which* is exactly what the Commission *is now doing at the behest of last* December's EEC summit—"could *lead to expensive misinvestment* with negative effects on employment and growth."

Viscount Davignon defended the Commission's industrial strategy against the West German attack and argued that Brussels was trying to introduce sectoral policies which did not conflict with each other and was taking internal and external consequences into account.

EEC policy was still based on the free market principles of the Rome Treaty, but pressing problem sectors, like shipbuilding, required special treatment.

U.S. *co-operation "essential"* for Europe currency zone, Page 3. Rule book for EEC enlargement. Page 3

Italian employers will press for reflation

BY DOMINICK J. COYLE

ROME, May 2.

Dr. Guido Carli

ITALY'S POLITICAL, industrial and social forces are moving to ensure that the national trauma bought on by the dramatic kidnapping of Sig Aldo Moro, the former Prime Minister, is not allowed to undermine the normal working of the country.

Sig Giulio Andreotti, the present Prime Minister, is known to have reacted angrily in private to suggestions that the Red Brigades terrorists have brought the country to its knees. Indeed, in a television interview at the week-end he made a point of listing the number of Cabinet meetings held since the kidnapping on March 16, and noted the decisions taken by ministers.

Also, it was noticeable that at yesterday's May Day rallies throughout Italy, trade union leaders did not limit their declarations to condemning violence and terrorism, but also insisted that it was necessary urgently to tackle a number of pressing problems, including unemployment, investment in the depressed southern regions and the reform of the whole public sector spending apparatus.

Now it is the turn of the employers, and some 1,000 delegates representing an estimated 100,000 Italian companies are meeting here to-day and to-morrow for the annual congress of Confindustria, the national employer organisation.

Dr. Guido Carli, the former Governor of the Bank of Italy, will be confirmed in office as Confindustria's president for a further two-year period. His detailed report to delegates to-morrow is expected to incorporate a wide-ranging review of the depressed state of the Italian economy, and to outline industry's demands for positive and immediate reflationary measures by the minority Andreotti Government.

The Government, and the political parties (including the Communists) committed to supporting it in Parliament, has promised measures to make the economy grow at something over 4 per cent. by the last quarter of this year. Confindustria will be pressing for something more.

While accepting the target figure, it hopes for a somewhat earlier economic lift-off, particularly in view of fears that there will be virtually no growth in the first half of 1978.

Recent indicators are, in fact, in conflict. Some suggest that the recession has already bottomed out, others point to a continuation of the decline in industrial production which set in last April and has, seemingly, not yet been arrested.

In general terms, Confindustria is ranged with the main trade unions pressing for strong reflationary measures. The Government, supported generally by the Bank of Italy, is somewhat more cautious, believing that a run for growth now could bring with it the seeds of yet another foreign exchange crisis next year. The likely behaviour of Italian exports this year is a concern on both sides, with general pessimism over world demand.

But the employers are a great deal less aligned with the unions on wage levels, and especially now that preliminary work is under way on a round of important national wage contracts due for renewal later this year.

Confindustria is quietly impressed with recent expressions of trade union moderation, such as those by Sig. Luciano Lama, the head of the powerful Communist-dominated CGIL. He has talked about the need to keep wage rises in line with productivity improvements, on the desirability of trade unionists accepting a measure of labour mobility and, perhaps immediately most important, that state and private-sector employers must not be forced to go on indefinitely supporting clearly moribund industries with emergency financing.

The attitude of Confindustria to all of this is very much one of "wait and see," the employers preferring (as Dr. Carli may well hint at in his Presidential address to-morrow) to hold off judgment until they see what specifically the trade unions will be demanding.

Hungary: spring cleaning the economy

BY PAUL LENDVAI

VIENNA, May 2.

THE RECENT decisions of the Central Committee of the Hungarian Communist Party which reaffirmed the leadership's commitment to economic reforms launched in 1968, also marked an important change in the possible succession to Mr. Janos Kadar, the party leader. With the unexpected retirement of Mr Bela Biszku, 57, who for almost two decades ranked as Mr Kadar's most trusted lieutenant and the number two in the Party secretariat, it is now Mr. Karoly Nemeth, another Central Committee secretary who has emerged as the frontrunner.

Mr. Nemeth, only one year younger than Mr. Biszku, replaced Mr. Rezsoe Nyers, the architect of the economic reforms as Central Committee secretary in charge of economic affairs four years ago. But in striking contrast to widespread fears among Hungarian intellectuals, the professional party functionary turned out to be a sensible and clever operator, willing to listen to the advice of economic experts and to turn a deaf ear to the hard-liners.

Mr. Janos Kadar

The son of an agricultural labourer, Mr. Nemeth spent all his life in the Party apparatus as Regional Secretary in the provinces and was transferred to the central apparatus only in 1960 when he took over the Department for Agriculture. A member of the Central Committee since 1957, he was promoted to the Secretariat in 1966 as the Secretary in charge of agricultural affairs. Three years later he was appointed First Secretary of the Budapest Party organisation, which is by far the largest in Hungary. During the next nine years he built up his reputation as a middle-of-the-road official, opposing both the most go-ahead reformers and the dogmatic hard-liners.

But the promotion of Mr. Nemeth who now ranks as de facto deputy of Mr. Kadar in the Party Secretariat constitutes no threat to Mr. Kadar's pre-eminent position. The latter's position in Hungary and his prestige both in the West and in the Kremlin is stronger than ever. Thus Mr. Nemeth must be regarded only as the most likely candidate for the succession if the Party leader—66 years-old this month—were to fall seriously ill.

Nevertheless, the departure of the quiet but influential Mr. Biszku, who between 1957-61 also acted as Minister of Interior ferreting out so-called "counter revolutionaries" and "revisionists" is a serious setback to the dogmatic hard-liners. The key phrase in the Central Committee's resolution is the call for creating the necessary personal conditions to carry out more efficiently the resolutions of the 11th congress held in the spring of 1975. It is against this background that the simultaneous retirement of Mr. Imre Pardi, 56, head of the Central Committee's economic department and Mr. Lajos Cseterki, 57, a former Politburo candidate member, must be seen.

The personal reshuffles also reflect the new style of the Kadar regime. Mr. Biszku and the two other high-ranking officials were not purged but retired with full honours. Their merits were explicitly recognised and they also received high Government decorations. Yet at the same time the Central Committee resolution and a subsequent editorial of the party paper, Nepszabadsag called for less procrastination in replacing inefficient people in leading positions. Faced with a difficult economic situation, Mr. Kadar has recognised that upward mobility based on the yardstick of quality and talent rather than on the "old boys' network" was a crucial condition for coping with the problems.

Simultaneously, the Central Committee resolution also proclaims that the improvement of quality and the sale of good quality products at home and abroad was the basic condition of the economic upswing. The redeployment of labour is connected with the long awaited transition to more economic prices, reflecting real production costs. This will entail an increase in prices but at the same time their effect will be cushioned through incomes policy measures.

Cutting subsidies and raising prices is not a new phenomenon in Hungary, but the tone of the resolution indicates that the pace might be accelerated. In contrast to the leaders in Poland for example, the Hungarians have all the time kept informing the public both about the economic problems and the measures to be taken. Thus while it is stressed that the national income is five-and-a-half times higher and the per head consumption three times larger than in 1938, the party paper also admits that nevertheless national income per head in France and West Germany is twice as high as in Hungary or that productivity in Austrian industry is still about 75 per cent. up on the Hungarian level.

The latest Central Committee resolution gives the go-ahead signal for the policy of economic reform. In a way the deterioration of the world economic situation in general and the jump in prices charged for imports have turned out to be a blessing in disguise. It is now generally recognised that with exports approaching 50 per cent. of the national income, the main emphasis should be both on increasing exports and on import substitution. The more profits of enterprises reflect real differences in productivity, the stronger the stimulus to produce modern and competitive products. It was Mr. Nemeth himself who in a speech before the plenary meeting of the Central Committee last October called for marked shifts in the industrial production structure and the faster phasing out of inefficient producers.

In this sense, Hungary is more than ever determined to put the economy on a self-supporting basis. As long as the measures do not threaten political stability, the Kremlin is unlikely to raise any objections.

Moves for deal to save Moro's life

By Dominick J. Coyle

ROME, May 2.

MEETINGS to-day, involving the Communist (PCI) and Socialist (PSI) leaders and Sig. Giulio Andreotti, the Prime Minister, focused on moves by Sig. Bettino Craxi, the PSI Secretary-General, to try to negotiate the release of Sig. Aldo Moro, the kidnapped former Premier, without capitulating to the demands of the Red Brigades

Sig. Craxi had a meeting this morning with the Prime Minister, and later saw the PCI leader, Sig. Enrico Berlinguer. He is understood to have argued at both meetings that "more should be done on humanitarian grounds"

Sig. Craxi insists that he supports the minority Christian Democrat (DC) Government and the other main parties in their refusal to consider the prisoner exchange demanded by the Red Brigades in return for the life of the former Prime Minister and DC President. However, he has suggested the possible release of some prisoners, and has called for an easing of prison conditions for the estimated 150 Left-wing terrorists.

A Communist Party spokesman confirmed later that there was no change in the PCI's outright opposition to any formal deal with the terrorists. But he reflected the now prevailing view in all political parties that every effort short of actual negotiations should be considered.

Italy's Lockheed trial resumes

ROME, May 2.

TWO FORMER Defence Ministers went back in the dock here to-day to face charges of corruption

The trial of the ministers, a Christian Democrat, Sig. Luigi Gui and Social Democrat, Sig. Mario Tanassi, re-opened at the Constitutional Court after a three-week adjournment to allow a key figure to recover from an operation.

The ex-Ministers are among four defendants accused of receiving payments from the Lockheed Aircraft Company during the sale of 14 Hercules C-130 transport aircraft to Italy in 1969 and 1970.

Seven other people are charged with involvement in payments totalling $2m, One of the seven, Lockheed's former Italian agent Sig. Ovidio Lefebvre, took his seat among the defendants this morning after the adjournment he had requested.

Reuter

Dutch profit-sharing changes allow companies tax relief

BY CHARLES BATCHELOR

AMSTERDAM, May 2.

HOLLAND'S Centre-Right Government, which has been in office for four months, has made significant changes to its Left-wing predecessor's plans for excess profit-sharing. Companies will be allowed a higher return on capital, the amount to be paid into the excess profit fund has been reduced and payments can now be set against corporation tax.

The changes have been made to avoid the adverse influence on levels of employment and business confidence which would have resulted from the last Government's plans. Foreign investors in particular were strongly opposed to earlier plans for profit-sharing in Holland, the Government said.

The plan will be presented to Parliament in two parts. A draft Bill covering the individual part of the plan has been sent to Parliament and a second Bill covering the collective part will be presented later. In the meantime, an interim ruling has been drawn up covering the collective part.

No mention is made of the relative size of the two elements of the plan although the previous Government wanted 70 per cent. of excess profits to go into a collective fund, managed largely by the unions. Thirty per cent. was to go to the employees of the individual companies.

The scheme will take effect retroactively from January, 1977, although many companies are already distributing dividends from 1977 profits.

The new proposal will allow companies a return on capital equal to the yield on a packet of State bonds plus a 3 per cent. risk premium. Under the old scheme this premium was 2 per cent.

After allowing for this return on capital workers will receive 12 per cent. of the "excess p fit." The earlier scheme set t workers' share at 20 per cent 1977, rising 1 per cent. a ye after that. Unlike the earl scheme, companies may now duct existing profit-shari schemes from the payment a they can set payments agai corporation tax. The tax conc sion in particular has come for criticism from the tra unions and Left-wing parties.

Adjustments which will crease the amount paid out a rise in the maximum that a worker may receive in a year 3 per cent. of his wage from per cent. This would be abo Fls.1,500 at 1977 levels. T scheme will now cover compan making Fls.100,000 profit co pared with Fls.250,000 before.

Payments may be made shares, asset certificates or ca and will be frozen, as in the scheme, for a period of sev years.

The interim scheme for t collective part of the plan wo try to allow foreign compani to set their excess profit payme against corporation tax payab outside Holland. The collecti fund which builds up will managed by trade union rep sentatives, Government nom ees and a Government deleg with advisory powers. The c lective fund is to be used to prove pension schemes. The G ernment hopes it will be us to allow earlier retirem schemes.

The proposals are expected raise up to Fls.70m. in 1977 fore allowing for the deducti allowable for existing sche and for write-downs against c poration tax.

Mr. Joop den Uyl, the Oppo tion Labour Party Leader, s the new plan has complet stripped the original propos which was seen as one of party's major social reforms.

U.S. halts uranium supply

THE HAGUE, May 2.

THE U.S. has suspended deliveries of enriched uranium to a Dutch research reactor until security measures are improved a Foreign Ministry spokesman at The Hague said to-day.

The U.S. decision to insist on better protection against theft or hijacking at the research centre in Petten, north of Amsterdam, was relayed to the Dutch Government by the headquarters of Euratom in Brussels.

An official at Petten said centre still had a considera stock of highly enriched urani and could continue normal w for some time.

The Foreign Ministry said expected the problem to solved by negotiation with U.S. Low-grade enriched urani for Hollands three nuclear pow stations is not affected.

Reuter

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Brezhnev 'ready for force reductions'

BONN, May 2.

MR. LEONID BREZHNEV, the Soviet leader, said in an interview published here to-day that the Soviet Union was ready to agree to reduce East-West forces in Central Europe by half, providing the balance of power was not disturbed.

Interviewed by the Social-Democratic party weekly *Vorwaerts*, shortly before a visit to Bonn this week, Mr. Brezhnev said the Soviet Union posed *no military threat* to anyone. "We want not a balance of fear but a balance of *trust*," the *Soviet leader* said.

Referring to the Vienna talks on mutual force reductions, he added: "we are prepared at any time in Vienna to sign an agreement on the reduction of the level of forces *and armaments in Central* Europe by five, ten, 20, if you like even by 50 per cent."

But *the agreement* must ensure that the present balance of strength was not disturbed, "*with no advantages* for one side and disadvantages for the other," Mr. Brezhnev said.

Mr. Brezhnev complained that "when the Soviet Union puts forward concrete, realistic and comprehensive proposals for the restriction of weapons, the answer is all the noise with the neutron weapon."

Military threat

He said "the Soviet Union has no intention of attacking any state in the West, East, North or South. The Soviet Union has no intention of conquering' Western Europe."

It seemed to him that those in the West who talked of a Soviet military threat had *something else in mind. They* were dissatisfied with the present approximate balance of forces and wanted *military* superiority for themselves, he added.

Mr. Brezhnev said he saw the Soviet-West German treaty of 970 as "a cornerstone in the edifice of detente." The state of relations between the two countries was a good measure of international detente as a whole. The Soviet leader said the subject of West Berlin *should not* remain a *blot on* the map of European detente. He emphasised that "this city is *no part of the* Federal Republic."

Reuter

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EUROPEAN CURRENCY ZONE

U.S. co-operation 'essential'

BY JONATHAN CARR

BONN, May 2.

WEST GERMANY believes that the idea of a wider zone of currency stability in Europe can only be implemented in close co-operation with the United States, and that Washington itself sees advantages in the scheme.

This was made clear here to-day by Herr Hans Matthoefer, the Finance Minister, following his return from talks in Washington which were preceded by attending the IMF *interim* committee meeting in Mexico City.

His comments appear to be aimed partly at removing the reservations of those who fear that such a zone, which was outlined by Chancellor Helmut Schmidt to other European leaders in Copenhagen recently, might be seen as against the U.S.

Britain for one has *let* it be known that its support for the scheme would depend on assurances that no such move against Washington was implied. Another British condition is that West Germany should take further action to try to boost its economy.

Herr Matthoefer said he had. in all, about 14 hours of talks with Mr. Michael Blumenthal, the U.S. Treasury Secretary, during which the *European* currency zone idea, among other things, came under scrutiny.

First, the two sides were agreed on the importance of currency stability for trade growth —a point confirmed by the situation within the European currency snake. This automatically led to consideration of how such an area could be extended to benefit Europeans and Americans alike.

Second, Herr Matthoefer said, the U.S. had expressed interest in more intervention taking place in D-marks to try to take pressure off the dollar. But West Germany felt the volume of D-marks was insufficient to permit this, and that it would bring speculative pressure which the Germans could not withstand. This in turn brought consideration of what extra role might eventually be allotted to the European unit of account.

Third, both sides were agreed there was no ready possibility of a substitute for the dollar as the world's leading reserve currency. Hence, the importance of a reduction in the U.S. current account deficit, *to restore basic* stability to the U.S. currency.

Informed sources noted meanwhile that West Germany was not, in principle, against the IMF idea advanced in Mexico City of a substitution account *under which IMF members could* exchange surplus dollars for the fund's Special Drawing Rights. But Bonn *did* see a *series of* practical difficulties which would take a considerable time to remove.

Herr Matthoefer played down suggestions that Bonn was continuing *to come under* U.S. pressure to do more to reflate, noting that in the wake of their lengthy *talks both sides* had a very close appreciation of the problems of the other. He indicated that such national pressure as remained came from Europe. Bonn's position was that it would not be *pushed into* taking over-hasty action.

Russian hint of arms for Turkey

BY METIN MUNIR

ANKARA, May 2.

THE SOVIET UNION has informed Turkey that it will examine the means at its disposal for supplying Turkey with arms should a request be made by Ankara.

Mr. Hasan Esat Isik, the Turkish Defence *Minister*, said this message was delivered by Marshal Nikolai Ogarkov, the *Soviet Chief of Staff, who com*pleted a five-day visit to Turkey on Sunday. Mr. Isik was speaking at a *news conference* after the visit, which was the first by a Soviet Chief of Staff to Turkey in 45 years.

Asked whether the Soviet Union had offered arms to Turkey, Mr. Isik said: "*Marshal* Ogarkov reiterated that the Soviet Union does not harbour any ambitions over Turkey except those of mutual friendship and good neighbourliness. *Should Turkey require any, the* Soviet Union could examine means at its disposal for supplying assistance. Marshal Ogarkov did not state anything beyond this."

Mr. Isik, a former Turkish Ambassador to Moscow, said the Marshal's visit had passed in conditions of *mutual respect and* confidene. An atmosphere of understanding and sincerity had dominated the talks. Such contacts between the Turkish and Soviet armies could become more frequent.

Marshal Ogarkov visited Ankara and Istanbul. In addition to Mr. Isik, he met Mr. Koroturk, the Turkish President, and Mr. Bulent Ecevit, the Prime Minister.

Mr. Isik said it would not be correct to link Marshal Ogarkov's *visit with the U.S. arms embargo* on Turkey. Nevertheless the Marshal was invited to Turkey last June when Mr. Suleyman Demirel, the Right-wing Prime Minister, was in power. The in*vitation was renewed by* Mr. Ecevit in February, a month after he came to power. The visit *took place when congres*sional debate at committee level was taking place in the U.S. on President Carter's call for the lifting of the embargo.

The restriction, which has *been in effect for more than* three years, began several months after *Turkey's interven*tion in Cyprus. It was in fact, a punishment for Turkey's use *of U.S. arms for purposes* other than the ones for which they were supplied, and was intended to put pressure on Turkey to make concessions.

Mr. Isik's statements demonstrate the improvement which has taken place in Turkish-Soviet relations when Turkish-American relations are cool. Observers believe that Mr. Ecevit, who is to visit the Soviet Union next month, may ask for Soviet arms if the U.S. embargo remains in force.

Greeks seek clarification

BY OUR OWN CORRESPONDENT

ATHENS, May 2.

GREECE IS concerned over the Soviet Union's *reported desire* to develop military co-operation with Turkey, a Government *official said to-day*. He *said* clarifications were being sought from Moscow through diplomatic *channels* on the form of the co-operation.

The official was commenting on the visit to Turkey of Marshal Nikolai Ogarkov, *the Soviet Chief* of Staff,

Diplomats said Greece is concerned lest military ties between the Soviet Union and Turkey upset the balance of power. The same observers believe the threat of Russian military aid to Turkey may help convince the U.S. Congress of the need to lift the American embargo on arms for Turkey.

Congress resumes discussion to-morrow on whether the embargo *should be lifted* as requested by President Carter.

Our Nicosia correspondent adds: Cyprus, too, is anxiously awaiting clarification from Moscow about reports of Soviet offers to supply Turkey with arms.

Mr. Dimos Hadjimiltus, the Cyprus ambassador to Moscow, has been *told* by President Spyros Kyprianou to ask the Russians to speed up their reply to an *earlier strong protest over* Russia's determination to strengthen cooperation with *Turkey in the military field*.

Airliner 'tried to call Soviet fighters'

A SOUTH KOREAN airliner *forced down by Soviet fighters* 12 days ago made three attempts to contact them before they opened fire, a Finnish air ministry official said yesterday, Reuter reports from *Helsinki*.

The Boeing 707 flying over the pole from Paris to Seoul crash-landed in the Soviet Union. Two passangers were killed when the fighters opened fire.

Foreign exchange fall

The Swiss National Bank said yesterday its foreign exchange fell SwFrs.263m. to SwFrs.19.646bn. in the week ended April 30, AP-DJ reports from Zurich.

Danish earnings

Denmark's foreign currency reserves fell by Kr.890m. during April to Kr.13.2bn., the National Bank said yesterday. AP-DJ reports from Copenhagen.

Bomb attack

A bomb explosion wrecked a new police barracks in Turin early *yesterday*, causing damage estimated at L350m. ($400,000), police said, Reuter reports from Turin.

German 'lies'

Herr Klaus Croissant, the former Baader-Meinhof lawyer who fled to France last year, told a Stuttgart Court yesterday West Germany *used judicial trickery* and lies to mislead the French authorities to extradite him, Reuter *reports from Stuttgart*.

Nine study 'rule book' for growth of EEC

By David Buchan

BRUSSELS, May 2.

ENLARGEMENT of the European *Community should* not lead to any rise in the disproportionate slice of the EEC Budget that already goes to agriculture, Dr. David Owen, the U.K. Foreign Secretary said to-day. But Britain ranged itself with those member states which want to keep *transitional procedures for* Greece, Spain and Portugal as simple as possible.

The Foreign Ministers of the Nine were taking a first look at the Commission's study of the implications and costs of extending the Community to 12. This includes the recommendation that, while negotiations with each applicant country should be treated on their merits, the period during which they adapt fully to EEC rules should not be less than five years and no more than ten, and that it should be divided into two phases.

M. Louis de Guiringaud, the French Foreign Minister, to-day welcomed *the two-phase* plan, apparently because this would allow some later checks *on the competition* that French farmers fear from the three aplicant countries. In contrast, the West German, Danish and Dutch Ministers, along with Dr. David Owen, considered the case for the Commission's complex transition plan to be unproven.

The Commission's study, which is to be further examined by national officials, *is designed to serve as a sort* of rule book to which Governments of the Nine can refer as the negotiations with the southern applicant countries proceed.

The Commission's *opinion on* Portuguese entry is due before the end of this month, while *the substantive part of the* Greek negotiations is expected this autumn.

Ministers identified what *they saw as* a number of holes in the study, which its Commission authors have described as a fresco. But Brussels officials detected from to-day's ministerial meeting a desire *not to* let the entry negotiations stall and a wish to strengthen EEC institutions.

Farm talks, Page 29. Insurance, Page 36

Spain appoints new chief for key state holding company

BY ROBERT GRAHAM

MADRID May 2.

THE CABINET *to-day appointed* a little known businessman to one of the country's key economic *jobs, the presidency of the State* holding company INI, that accounts for 11 per cent. of in*dustrial production and employs* 6 per cent. of the industrial labour force.

There has been considerable controversy within the Government over who should fill the post, *made vacant by the* resignation of Sr. Franceso Gimenez a fortnight ago.

The new President, Sr. Juan Miguel de la Rica, 46, has been running a domestic appliance *company, Fabrilec.*

He is the candidate put forward by the Minister of Industry, *Sr. Agustin Rodriguez Sahagun.* Some members of the Cabinet are known to have been hesitant about the choice because he lacked national standing, had *limited experience of the pub*lic sector, and was closely tied to Sr. Sahagun.

These reservations are believed to have caused the delay in confirming the appointment.

Sr. Sahagun argued hard for a close associate in the INI job, *on the grounds that only in this* way could his ministry function effectively with its most important operational arm. INI comes directly under the control of the Ministry of Industry.

The choice is curious nevertheless. Although regarded as a technocrat without political affiliations, Sr. de la Rica's links with Sr. Sahagun *could prove* politically embarrassing if INI is to be made a more independent and *efficient institution.*

Sr. Sahagun was brought in to head the Ministry of Industry in February *in what was seen as a* sop to small and medium sized business who had been vociferous *in their opposition to the direc*tion of Government economic policy.

Sr. de la Rica takes over at a time when the Government is preparing a new law for public enterprises, and in this sense his appointment can only be *temporary until the law is* approved.

The previous head of INI, Sr. Gimenez Torres held the post for 15 months. Prominent among his reasons *for resigning* was a growing disaffection with dealing with a succession of industry *ministers* who had differing ideas on their respective roles.

Last December, Sir. Gimenez *Torres wrote a letter of resig*nation, but the then Minister of Industry, Sr. Alberto Oliart, talked him into staying.

Tougher EEC line on steel

BRUSSELS, May 3.

THE EEC Industry Commis*sioner*, Viscount Etienne Davignon, today announced tougher measures to enforce EEC *minimum prices* for steel traded within the Community, an EEC spokesman said.

Viscount Davignon warned Foreign Ministers of the Nine that the credibility of efforts to shield the troubled steel industry in the Common Market was at stake, because traders were under-cutting the minimum prices set by the commission for Common Market steel. He sought the support of the Nine Governments in what he called a last attempt to apply the system of minimum and reference prices set up last December.

The West German Economic *Minister*, Count Otto Lambsdorff, who also attended the meeting, pledged his support, and com*mented that the efforts of steel* traders had outdone the wisdom of EEC bureaucrats, Common Market *sources* said.

Turning to the external part of the community steel policy, Viscount Davignon told the Ministers that the commission has *just concluded an arrangement* to regulate steel imports from Hungary. It already has such *arrangements with Japan, South* Africa, Spain, Czechoslovakia and the six steel exporters of the European Free Trade Association.

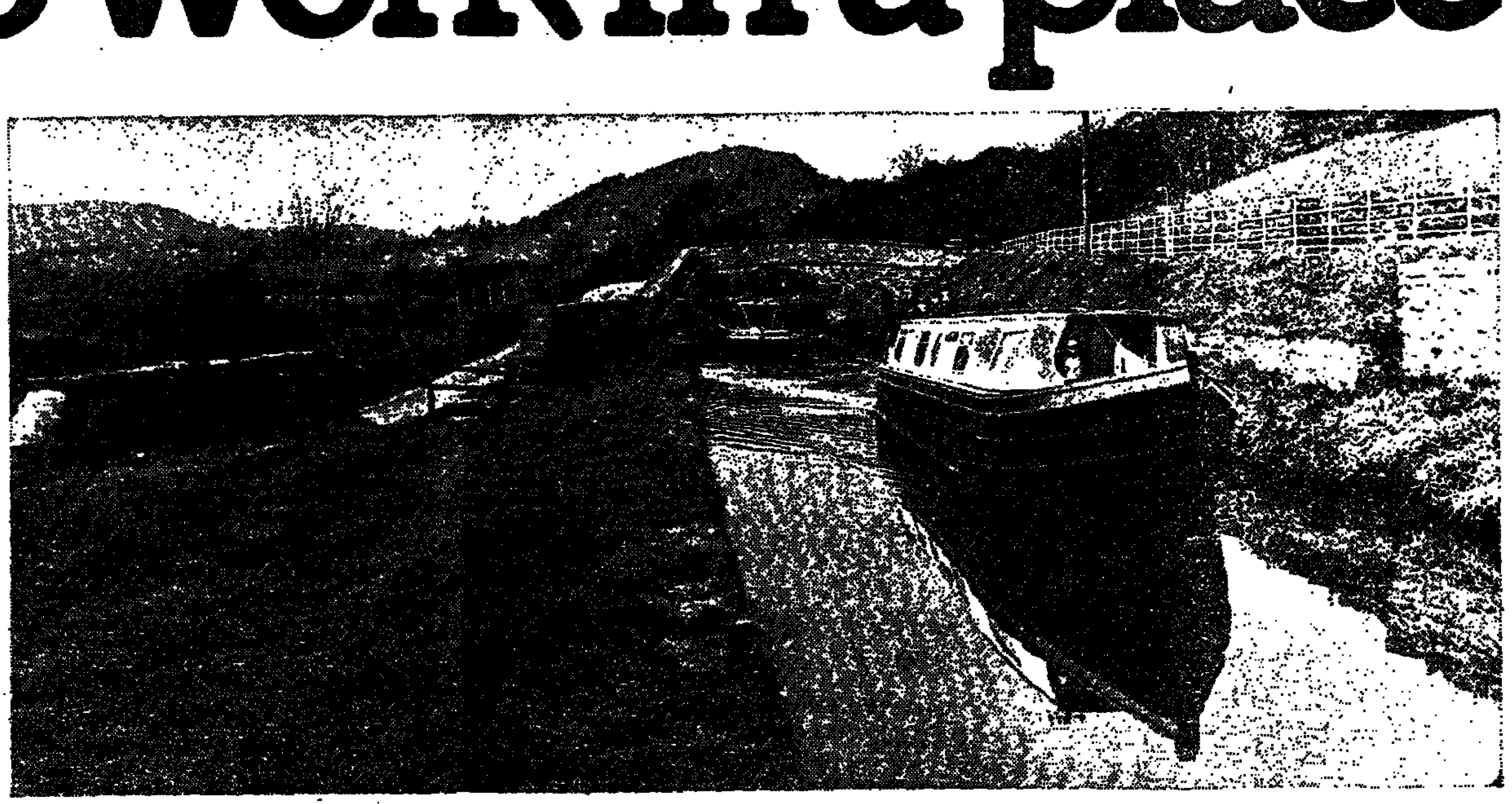
Viscount Davignon said that the commission was still conducting talks with Brazil, Bulgaria and South Korea, and efforts to conclude similar arrangements with Poland, Romania and Australia had run into difficulties.

The minimum and reference price systems, which apply to *different* grades *of steel*, were set to regulate intra-community trade in the metal.

He *said that* the *commission* will send letters to member governments to-morrow to seek their *co-operation in* applying tougher EEC controls.

He said that a first series of fines on EEC traders would be announced this month for failure to respect community pricing rules.

Reuter



Sadat reshuffles Cabinet amid economic troubles

BY ROGER MATTHEWS

CAIRO, May 2.

PRESIDENT ANWAR SADAT of Egypt announced to-day that he had ordered an immediate Cabinet reshuffle but also warned his critics that they would be risking a confrontation if they continued with their attacks.

Mr. Sadat's decision to make ministerial changes reflects both the mounting sense of unease within the country over recurring economic difficulties and the squabbling within the Cabinet. Dr. Abdel-Moneim El-Kaissouny, the Deputy Prime Minister for Economic and Financial Affairs, is understood to have offered his resignation more than a fortnight ago and it is likely that Mr. Sadat has now decided to accept it.

Other economic ministries may now also be changed, but the fact that Mr. Sadat has asked Prime Minister Mamdouh Salem to carry out the reshuffle indicates that he will be staying on.

During the course of a two-hour speech to 20,000 workers in a northern suburb of Cairo, Mr. Sadat reaffirmed his commitment to the Middle East peace initiative that he launched last November and showed no sign of loosing faith in the ability of the U.S. to bring about changes in Israeli attitudes.

President Carter was "doing his very best." Israel was isolated, and the whole world supported the Egyptian initiative, declared Mr. Sadat. Israel was still shaken by the "earthquake" caused by the peace initiative and had not yet had the courage to take critical decisions. Egypt on the other hand stood firmly by its principles and these included full Israeli withdrawal from occupied Arab territories and the rights of the Palestinian people to establish their own state.

However Mr. Sadat was almost gentle with the Israelis compared with his criticism of domestic opponents. He accused the Left- and Right-wing parties of being defeatist; of trying to drag the country back to the days before the 1952 Revolution when 8.5 per cent. of the population ruled the country, of behaving subversively, and perhaps most ominously of "trying to destroy the social peace of the country."

The People's Assembly, the Egyptian Parliament in which four political trends are represented, received particular attention from the President. He accused some members of trying to turn the people against their Government and referred to a "slanderous trend" within the Assembly which had led to questions becoming accusations.

The country's two opposition newspapers came in for their share of criticism. People should air their views for the good of the country said Mr. Sadat and later threatened that he would have no mercy on anyone who tried to disrupt Egypt's social peace.

A great deal of Mr. Sadat's vitriol was clearly aimed at the country's Left-wing intellectuals and journalists, and the President made constant efforts to identify himself in the public mind with "the farmers and the workers."

Begin hints at progress

LOS ANGELES, May 2.

ISRAELI Prime Minister Menahem Begin hinted at a breakthrough in Middle East peace negotiations as he began a tour of the United States to-day amid signs of improved Israeli relations with Washington.

He said on the plane bringing him from Washington: "With caution, I can say there is hope for another productive negotiating effort."

Though in Washington, Administration officials reacted sceptically to the hint of a possible breakthrough.

A report in a Tel Aviv newspaper quoted Mr. Begin as saying there was agreement with the U.S. about an Israeli military presence on the West Bank and that a proposed referendum of Palestinians had been dropped from the agenda of his U.S. talks. State Department officials said they were unaware of agreement on these points.
Reuter

David Lennon adds from Tel Aviv: Israel's military commander of the West Bank was to-day dismissed by the Defence Minister when an investigation revealed Israeli troops used excessive force in suppressing a demonstration by schoolchildren last month at Beit Jallah, beside Bethlehem.

UN chief in Lebanon 'missing'

BEIRUT, May 2.

THE COMMANDER of French UN troops in south Lebanon was missing to-night after three of his men were killed and seven wounded in guerilla attacks, reliable sources said.

The sources said French troops had mounted a search for Col. Jean-Germain Salvan after trying to contact him for two hours without success following fierce fighting with unidentified guerillas around the port of Tyre.

The Iraqi news agency, reporting from Beirut, said Col. Salvan had been killed. There was no confirmation of this.

The three French soldiers died when their armoured car was destroyed by anti-tank fire near Tyre earlier to-day.

At about the same time, guerillas attacked a UN barracks on the outskirts of Tyre with mortars and automatic weapons.

Sources said at least seven men were wounded in the barracks, and it was feared the final toll would be higher.

The sources said the armoured car exploded in flames after being hit in an ambush less than half a mile from the barracks.

There was no immediate indication whether the attackers were Palestinian guerillas or their Lebanese Left-wing allies.

The fighting came after French troops killed a gunman and wounded two others when they tried to cross U.N. lines towards Israeli-occupied territory in South Lebanon last night.

A UN spokesman confirmed clashes had taken place between UN troops and unidentified gunmen, and that there had been casualties, but he could give no further details.

Travellers from Tyre reported fighting in the hills around the city.

In Sidon, Palestinian guerillas and Syrian peacekeeping troops fought each other with rockets and automatic weapons. First reports said two civilians were seriously wounded.

Palestinians said the fighting broke out after the Syrians tried to arrest a guerilla belonging to the radical Arab Liberation Front (ALF).
Reuter

Australia, Iran talks on nuclear agreement

By Kenneth Randall

CANBERRA, May 2.

AUSTRALIA AND Iran are expected to reach agreement by the end of this week on a bilateral nuclear safeguards agreement, which would clear the way for negotiations on uranium sales by Australia.

The agreement is being negotiated in Canberra by Dr. Akbar Etemad, head of the Atomic Energy Organisation of Iran, and a team of four senior Iranian officials. Their formal discussions are mainly with the Minister for Trade and Resources, Mr. Doug Anthony, and the Foreign Minister, Mr. Andrew Peacock.

Before they leave Australia, however, the Iranian party will also be having discussions with the Australian Atomic Energy Commission and uranium companies.

Although the talks only began to-day, Government officials said that most groundwork had already been carried out through diplomatic channels and there appeared to be no serious obstacles that would prevent conclusion of an agreement within the next few days.

This would make Iran the first country to sign a bilateral agreement with Australia as required in the safeguards policy announced last May by Mr. Malcolm Fraser, the Prime Minister. This would allow a start on negotiating commercial uranium supply contracts, subject to the establishment within a few months of a government marketing authority. Legislation for the marketing authority is currently before parliament.

Iran was one of more than a dozen countries, signatories of the nuclear non-proliferation treaty, to which Australia circulated a draft safeguards agreement earlier this year, based broadly on the Canadian model.

The Iranians have been expressing keen interest in Australian uranium since 1974 and Dr. Jim Cairns, as Deputy Prime Minister at the time, promised that they would be treated favourably when the discoveries in the Northern Territory were brought into production.

Official sources said to-night that Dr. Etemad had indicated in to-day's talks that Iran could have a requirement for uranium rising to 1,000 tonnes a year by 1985. She had two nuclear power plants in operation now, and planned to build another 20 by 1994.

Internal tensions strain Patriotic Front's unity

BY MICHAEL HOLMAN, LUSAKA, MAY 2

THE EASTER FRIDAY assassination attempt on the life of the Zimbabwe African People's Union (ZAPU) army commander, Mr. Alfred Nikita Mangena, and the unsuccessful attempt by at least ten senior members of the rival Zimbabwe African National Union (ZANU) to unseat their leader, Mr. Robert Mugabe, is evidence of serious tensions within Rhodesia's divided nationalist movement.

Yet assessing their significance is difficult, partly because officials in both parties remain reluctant to confirm, let alone discuss, the problems. Despite evidence to the contrary, ZAPU denies that Mangena was wounded when the car in which he was travelling came under fire outside a ZAPU camp in Lusaka.

In the case of ZANU, officials persist in denying what is now public knowledge: the arrests and subsequent trial earlier this month of members of a group conspiring to overthrow Mr. Mugabe.

The group included six members of ZANU's Central Committee: Mukudzei Mudzi (external affairs), Rugare Gumbo (information and publicity), Matuku Hamadziripi (manpower and planning), Kumbirai Kangai (welfare and transport), Crispen Mandizvidza (production and development) and Webster Gwauya (deputy — external affairs).

After a trial last month, the men were sentenced to indefinite hard labour. Their motives were apparently a combination of tribalism (all but one of the plotters are from the Karanga tribe), ambition and possibly ideology — though suggestions that the plotters favoured a closer association with the Russian and Cuban backed ZAPU do not square with reports that at least some of the group wanted stronger ties with China.

But, say ZANU sources, the result is that the Party has been purged of dissident elements and Mr. Mugabe's position is stronger than it has ever been.

No such purge has taken place in Mr. Joshua Nkomo's ZAPU, though rumours abound of confessions obtained from the would-be assassins of Mr. Mangena which have implicated leading members of the Party.

There is also renewed speculation about responsibility for the two small-arms attacks last December on Zimbabwe House, the ZAPU headquarters in a Lusaka suburb. The official explanation blames "agents" of the Rhodesian government. Some reports claim the attackers were members of a rebellious group of ZAPU guerillas encouraged by Mr. Mangena himself. Yet a few days after the incident, Mr. Nkomo introduced Mr. Mangena himself, smiling and waving, at a Press conference at Zimbabwe House.

Perhaps not surprisingly, usually well-informed observers are divided over the significance of these and other incidents: Some Western diplomatic sources suggest that Mr. Nkomo's leadership is being seriously challenged. Others make a far more cautious assessment.

The most frequently raised issue is tribalism, based on reports of a dispute between the Kalanga tribe—from the Plumtree border area of Rhodesia whose members include Mr. Nkomo—and the Karangas—a Shona tribe to which Mr. Mangena and some of the senior military men belong.

The reports need to be treated cautiously. At the executive level ZAPU is—deliberately so—a tribal mix.

What makes difficulties, it seems, is that this mix is not reflected among the rank and file membership drawn predominantly from Matabeleland. Informed sources claim that the Kalanga are in the majority in the army. This, say the sources, has led them to complain that they are inadequately represented at the top.

But there are other divisive issues—with Mr. Nkomo's ZAPU—notably the death of Mr. J. Z. Moyo, killed in Lusaka by a parcel bomb in January 1977, and the decision in October 1976 to ally with ZANU under the banner of the Patriotic Front.

Suspicions about responsibility for the death of Mr. Moyo, who had friends as well as enemies both in ZAPU (in which he was a senior official) and ZANU, have not subsided and some rumours implicate a senior ZAPU official.

In the case of the PF alliance, the ZAPU executive was not unanimous about joining forces with Mr. Mugabe, and the doubt remains. But the interesting feature in both issues is that the various parties do not appear to be divided on tribal lines.

There are other areas of actual or potential discontent. From an organisation with an external wing controlling only a few hundred guerillas two years ago, ZAPU has grown rapidly. Trained strength is now put at 6-8,000, most of whom are based in Angola and Zambia and as many more are in training. ZAPU also has to clothe, feed and educate some 15,000 refugees in Zambia, mainly schoolchildren. This expansion has undoubtedly strained ZAPU's administration and led to dissatisfaction.

Communists dominate in Kabul Cabinet

KABUL, May 2.

AFGHANISTAN emerged to-da as the first Communist-rule country in south Asia, wi civilians holding the main po tions of power, after last week military coup.

Authoritative sources he think that thousands of peop may have been killed durin fierce fighting last Thursday ar Friday before the Left-wing mi tary junta gained full contr

But there are only three mi tary officers in the new Cabin of 21. They include Colon Abdul Khadir vice-command of the Air Force, who w reported to have led the co in which President Mohamm Daoud was executed. Col. Khad becomes Defence Minister.

Senior diplomats here said t new Government was dominate by members of the pro-Mosco Democratic Khalq (People' Party.

Well-informed sources said was impossible to gauge ho radical the Communist leade ship would be, but it w generally believed it would ste clear of making Afghanistan client state of the Soviet Unio

Mr. Nur Mohammed Tarakk the civilian Head of State an Prime Minister, is chairman an founder of Khalq. Now 65, he believed to be a moderate wh recognises it would be impossib for Afghanistan to function und present conditions as an orthodo Communist State.

But Badrak Karmal, his seni deputy, Vice-President an Deputy Prime Minister an Hafizullah Amir, the Deput Prime Minister in charge Foreign Affairs, are known to b rigid ideologists. They forme the breakaway Parcham (Flag wing of the Communist Part some five years ago but rejoine the main party in May last yea under Soviet guidance, wel informed sources said.

Graphic accounts of the figh ing during last week's coup hav been given by Western tourist residents and diplomats. The said President Daoud's palac guard of 1,500 men equipped wit tanks and armoured personne carriers, defended the presider tial palace for more than 1 hours despite being heavily ou numbered.
Reuter

● **Andrew Whitley adds fro Bandar Abbas, The Gul** Coinciding with the announce ment of a Communist-led regim in Kabul, the Shah has in augurated the expansion of th country's main naval base a Bandar Abbas.

The new shipyard and suppo and training facilities at Banda Abbas was completed las November at a cost of ove £130m.

Fresh student riots in Lagos

ACCRA, May 2.

THREE GOVERNMENT buildings were destroyed and more than 60 vehicles burned when students rioted in Lagos at the week-end, the Ghana News agency reported to-day.

The agency said 12 people have died in student riots in Nigeria since April 17.

The agency, in a story from Lagos, said the riots followed an increase in student protests against rises in educational fees.

The agency quoted a police statement as accusing students of employing robbers and other undesirables in acts of lawlessness and vandalism.
Reuter

S. Africa sanctions move

UNITED NATIONS, May 2.

UNITED NATIONS members agreed without dissent to-day to recommend economic sanctions, including an oil embargo, against South Africa.

A committee of the whole membership established by the General Assembly to deal with the problem of Namibia (South West Africa) approved the recommendation by 88 votes.

Eighteen countries including the Western members of the Security Council, which are trying to work out a Namibia settlement with South Africa and black guerilla leaders, abstained.

The committee report was expected to be presented to the General Assembly at a plenary session later to-day, or to-morrow.

The UN has been holding a special session on Namibia since April 24.

South Africa last week accepted Western proposals for UN-supervised elections in the territory, but the South West Africa People's Organisation (SWAPO), the other party to the discussions, asked that the talks be re-opened.

The document ignored the Western settlement efforts—which were undertaken without any mandate from the UN—or the South African and SWAPO responses.
Reuter

MONDALE IN THE PHILIPPINES

Meeting the opposition

BY DAVID HOUSEGO

MANILA, May 2.

VICE-PRESIDENT Walter Mondale of the United States began his 12-day Asian tour here to-day with a broad statement of America's continuing security and commercial interests in the Pacific Region.

The tour is the first made by a senior U.S. official of the area since President Ford's visit in December, 1975 after the fall of Vietnam and is being treated by local governments as having more than the symbolic value the U.S. attaches to it.

President Marcos in his speech of welcome referred to the irritations between the U.S. and the Philippines by which he meant the deadlock in negotiations over the future of American bases here and U.S. allegations of human rights violations by his martial law administration.

At his request, Mr. Mondale will to-morrow see opposition leaders including former President Macapagal, two former Senators and members of the more activist wing of the Catholic Church. They are to press him to cut American military aid to the Philippines which they see as strengthening President Marcos's power to clamp down on dissent.

Mr. Mondale made an indirect reference to human rights in his speech on arrival when he said he hoped that his visit could contribute to the shared values of the two peoples including freedom and individual liberty.

The main discussions here will be over military and economic relations. Mr. Marcos hinted to-day he hoped for an early solution to the problem of the bases and to a new economic treaty with the U.S. The outstanding issues are the amount of compensation the U.S. will pay for the use of Clark air base and Subic Bay and the demand of the Philippines for jurisdiction over the 16,000 American troops here.

But the chances of real progress still appear to be slight. New American commitments of military and economic aid in payment of rental for the bases would run into unwelcome Congressional probing over violations of human rights and the alleged rigging by President Marcos' administration of last month's general elections.

A member of the election commission, appointed to oversee the polls, made known to-day that he had resigned his post. Mr. Casimiro Madarang said the failure of the commission to inquire into falsification of votes in the central Visayas had destroyed the credibility of the commission. He declared President Marcos' sincerity in guaranteeing free elections had been gravely imperilled.

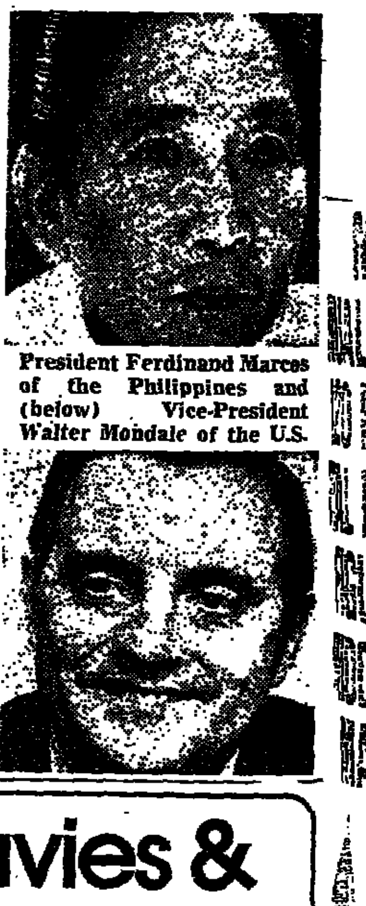
Mr Mondale's seeking out of the opposition leaders reflects considerable U.S. embarrassment over last month's elections to the National Assembly—the first since martial law was decreed in 1972.

A major factor in President Marcos's decision to hold them was the U.S. administration's argument that congressional approval for military and economic aid would be easier to obtain if Mr. Marcos could point to the support of a popularly elected assembly.

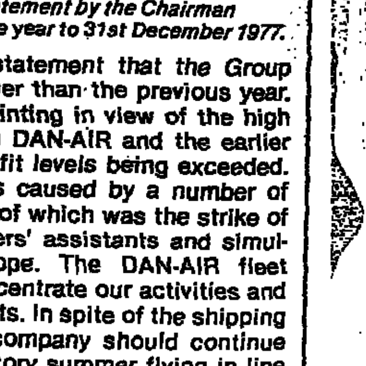
Mr. Mondale's difficult task is to soothe Mr. Marcos—an ever unpredictable ally who is currently resentful at American interference in his country—while in no way condoning the abuses that occurred in the election.

The six opposition leaders he is due to meet represent a cross section of the conservative critics of Mr. Marcus. They include former President Macapagal, an ex-Foreign Minister, Mr. Salvador Lopez, two members of the Church, and the defence counsel to Mr. Benedicto Aquino — the arch-foe of Mr. Marcos who has been held in military custody for the last five years on charges of subversion and murder.

Sources close to the opposition leadership say Mr. Mondale's help will be sought in transferring Mr. Aquino's case to a civilian court and in securing the release of political prisoners being held without trial.



President Ferdinand Marcos of the Philippines and (below) Vice-President Walter Mondale of the U.S.



Killing tax cuts would cost 1m. jobs, Schultze warns

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, May 2,

R. CHARLES Schultze, Presi- nt Carter's chief economic viser, strongly warned to-day at abandonment or substantial duction of the administration's oposed $24.5bn. tax cut could ve severe consequences for the S. economy.

In a speech to the National ess Club, the Chairman of the *uncil of Economic Advisers* d that those who advocated *opping, reducing or delaying* : tax proposals misunderstood *nature of the inflationary* oblem confronting the country.

This, he argued, stemmed not om excess demand but from : considerable slack in the onomy. Abandoning the tax s "might have a small effect the rate of inflation. But that ght improvement would come enormous cost—a million jobs *$40bn. of lost output* by late 9."

Spurred by inflationary fears, ngress is at work dismember- the tax package, particularly reform aspects. Senior mem- s of Congress, such as Mr. Al man, chairman of the Ways Means Committee, have rocated a net tax reduction appreciably less than that recommended by the President.

Perhaps more importantly, Mr. William Miller—the new Fed *chairman* who appears to be donning the conservative mantle worn by his predecessor, Dr. Arthur Burns—has called for the cuts to be delayed by several months. If passed by Congress, they would take effect in October.

To-day, Mr. Schultze agreed that inflation was a critical problem. He even formally upgraded the administration's public estimate of the underlying rate of inflation in the economy to the 6¾-7 per cent. range from the 6 per cent. plus area. This constitutes the first public admission that inflation has got worse. However, senior officials have been using privately the higher numbers for at least a couple of months. Mr. Schultze even *acknowledged that things might* get worse before improving later in the year, *particularly given* upwards pressure from the volatile food sector.

But, he went on, slowing down the economy appreciably was no solution. "A weak economy pulls down *inflation* very slowly and at great cost once inflation has gotten started," he said. Specifically, he estimated that, *without the tax cuts, economic* growth would start to taper off *later this year, and fall to 3 per* cent. in 1979. Capital investment *and personal spending would be* discouraged, with the inevitable *consequences on employment* and even industrial supply bottlenecks.

With the tax cuts, however, he *predicted 4-4.5 per cent.* per annum real growth in this year and *next.* "*With the prospects* for economic expansion a shade less optimistic now, the tax reduction proposed by the President is all the more essential," he said.

Meanwhile, a more aggressive approach was espoused in a speech yesterday in Atlanta, Georgia, by another administration official, Mr. Barry Bosworth, head of the Council on Wage and Price Stability, said the government was prepared to subpoena corporate records as part *of the anti-inflation* drive and urged senior company executives to accept *no more* than a 5 per cent. pay increase this year.

Mr. Robert Vesco

Objection to citizenship for Vesco

SAN JOSE, May 2.

SR. RODRIGO CORAZO, *the* Costa Rican president-elect, *was due to testify to-day before* authorities against a proposal *to grant Costa Rican citizenship* to the fugitive U.S. financier Mr. Robert Vesco. A spokesman for Sr. Corazo said that he plans to enter his objections in person—or through a lawyer—at the Civil Registry Office in San Jose.

Costa Rican law requires the favourable testimony of at least four nationals for a person to acquire citizenship. It also allows any Costa Rican to enter objections.

Three servants in Mr. Vesco's household, and a former President, Sr. José Figueres, an old friend, have testified in favour of the application. The registry has a period of eight days to study objections before issuing a resolution.

Mr. Vesco, who has lived in Costa Rica since 1972, is wanted by the U.S. Securities and Exchange Commission in connection with an alleged $224m. embezzlement at Investors Overseas Service when Mr. Vesco was head of that mutual fund.

During his election campaign this year, Sr. Carazo promised to have Mr. Vesco expelled from Costa Rica after he takes office on May 8.

AP-DJ.

Treasury starts sales of notes

BY STEWART FLEMING

NEW YORK, May 2.

AMID GROWING SIGNS that the new 8¼ per cent. level of U.S. prime rates, set last week, is spreading from Chase Manhattan Bank to other leading U.S. banks, the U.S. Treasury began a major refinancing programme to-day.

The Treasury sale *of $4bn. of* securities is expected to underline the *sharp rise in U.S.* interest rates during the past two weeks with *some analysts* predicting the Government will have to offer investors the highest yields for three years to attract *buyers.*

The first stage of the financing, an *auction of $2.5bn.* of ten-year notes, was completed *this afternoon. It brought* investors an average rate of return of 8.29 per cent., considerably higher than the 8.25 per cent. which had been widely predicted. The Treasury received $5.02bn. of tenders at yields ranging from 8.26 to 8.30 per cent.

The rate of return is the highest on a medium-term (five-to-ten-year maturity) Treasury security since August, 1975, when the yield on a six-year issue reached 8.75 per cent. As far as ten-year notes are concerned, the yield to-day is the highest since the second world war.

To-morrow, the Treasury will sell a further $1.5bn. of bonds maturing in 2000. Investors were anticipating a yield of 8.45 per cent. on the sale. The $4bn. proceeds will be used to repay $5.9bn. *of maturing* debt, reducing outstanding debt by $1.9bn.

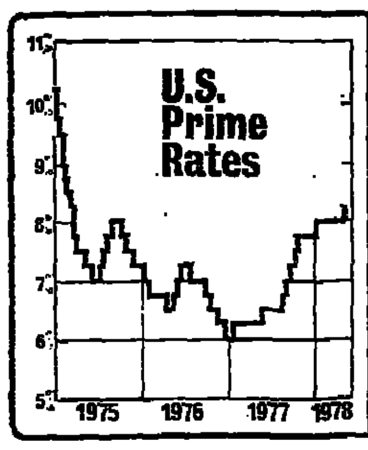
Traditionally, an 8 per cent. *or more return on* U.S. Treasury issues has tempted investors to *transfer funds from savings* and loan associations to the public debt market and has been seen as a critical point in a drift to higher interest rates because of the potentially damaging impact of such diversion of funds on house building and the economy.

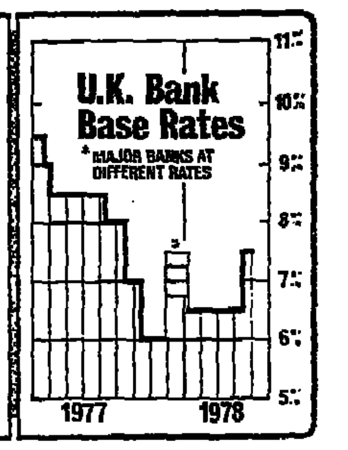
There are fears that there will be growing signs of such diversion of resources now, although economists point out that early withdrawal penalties on funds in savings accounts will slow moves by private individuals to withdraw funds from savings and loan associations — the U.S. *equivalent of British building* societies.

In the wake of last week's rise in the commercial bank prime lending rate initiated by Chase Manhattan Bank, two of the largest U.S. banks yesterday also raised their prime rate. First National Bank of Chicago, one of the top 10 U.S. banks, said it was raising its prime to 8¼ per cent. and Crocker National in *San Francisco, which ranks in* the top 15 U.S. banks, made a similar announcement.

Although no other major New York banks apart from Marine Midland have yet followed Chase, these latest moves indicate that the higher prime—the rate banks nominally charge their best customers—is spreading. Some analysts are even predicting that a further increase to 8½ per cent. cannot be ruled out.

Thus, Mr. William Griggs of Schroders in New York says: "The prime rate is already in the process of going up to 8½ per cent. and it may well move to 8¾ per cent. in the next few weeks."





Geological problems over storing N-waste

BY DAVID BELL

WASHINGTON, May 2.

"CRITICAL *geological* stumbling blocks" must be removed before the U.S. can be sure that permanent underground storage sites for its atomic waste are safe, the U.S. Geological Survey reported to-day.

The survey report is bound to increase the controversy about the safe storage of nuclear waste which has been gathering momentum here in recent months. But survey scientists say that, despite obstacles, they are confident "that acceptable underground repositories for radioactive wastes can be constructed."

However, the scientists say *in* their report there are five critical areas that need much further study. In particular, the *team says more information* is needed about how water moves *around potential storage sites,* about how salt beds (in which *waste might be stored*) behave geologically over a period of *time, about whether rock burial* might be safer and about the environmental effects of nuclear waste on surrounding ecological formations.

President Carter, who last year recognised that the long-term disposal of nuclear waste was among the most serious problems facing the nuclear industry worldwide, originally called on the Department of Energy to devise a safe scheme by 1985. But a recent report by the Department said that such a scheme could not be ready until *1988 at the earliest.*

Meanwhile Dr. Newell Trask, *a spokesman for the Geological* Survey team, said to-day that "*radioactive wastes from* nuclear reactors are accumulat*ing in temporary storage facili*ties across the country. *Continued expansion of nuclear* power depends on an acceptable solution to the problem of how to isolate from the environment *for thousands to hundreds of* thousands of years the current and future wastes that will be generated."

Concern about waste has been a major preoccupation of the anti-nuclear demonstrators who have now re-grouped and begun a *series of demonstrations* at selected sites around the *country. About 280 non-violent* protesters were arrested last *night (outside the gates of a re*processing plant in Barnwell, North Carolina. This facility has not yet been used and the demonstration took place on the first anniversary of the occupation of a nuclear power plant construction site at Portsmouth, New Hampshire.

U.S. COMPANY NEWS

Kennecott confident of victory in proxy fight; Stock issue backed at Chrysler; L'Air Liquide in deal with Allegheny Ludlum—Page 35

U.S. steel price rise warning

BY OUR OWN CORRESPONDENT

NEW YORK, May 2.

NIOR EXECUTIVES in the , steel industry are warning t another increase in steel ces, the third this year, may needed to offset rising costs. sterday, Mr. Edgar Speer, irman of U.S. Steel, the gest steel company, said that ess improvements in productivity offset cost increases the npany may need an additional ce increase later in the year.

Ir. Speer linked his remarks a promise that the company l do "everything we can to tribute" to President Carter's i-inflationary programme. But warnings of future price reases seem certain to set rm bells ringing in Washing- where Government officials are highly sensitive about rising *steel prices which spread through* the economy.

Already this year, the steel industry has pushed through two price increases, one of about 5.5 per cent. beginning on February 1, and one of around 1.5 per cent. which came into effect on April 1. Most analysts see the industry adopting a policy of small but frequent price rises to avoid presenting the Government with a single big rise in a year.

Even small increases are coming in for Government monitoring, and the recent 1.5 per cent. rise came after the Carter Administration said that a higher increase proposed by U.S. Steel of 2.2 per cent. was not justified.

Turning to the performance of the company which *suffered* a $58.7m. loss in the first quarter of the year, *after earning* a return of only 2.7 per cent. on stockholders' equity in 1977, Mr. Speer predicted that strong market demand for steel would lead to a profitable second quarter. In the second half of the year, the company would earn a profit higher than the $34.2m. of last year.

On the Government's trigger price system for controlling steel imports, Mr. Speer said that with imports for the first quarter totalling 5.7m. tons compared with 3.3m. tons a year ago, the mechanism had not yet been effective.

House committee rules out W. German tank gun

BY OUR OWN CORRESPONDENT WASHINGTON May 2.

E HOUSE Armed Services nmittee has quietly voted to ete from the Defence Depart*nt budget some $8m. which* re to be spent on a West *rman gun for the later models* the new U.S. Army tank, the 1-1.

he vote, which can be ersed *later, may not make* ch practical difference to the *gramme, but it comes* at an ortunate time, with the Nato nmit *meeting* due to take e in Washington later this nth. The Carter Administra- has cited its willingness to the German gun as evidence it is prepared to create a mmon Nato Market" for weapons.

Sources on the Committee said that the money had been withdrawn "without prejudice" because staff had not completed their study of the gun. They said that the money could easily be put back into the budget at a later stage. The Defence Department has begun intensive lobbying to try to persuade the committee to change its mind, but it is unlikely to do so for the moment.

Mr. Samuel Stratton, the chairman of the committee, has never been happy with the German gun proposal, and has lent a sympathetic ear to senior army officers who have had private reservations about it.

Canada Tories encouraged by opinion poll

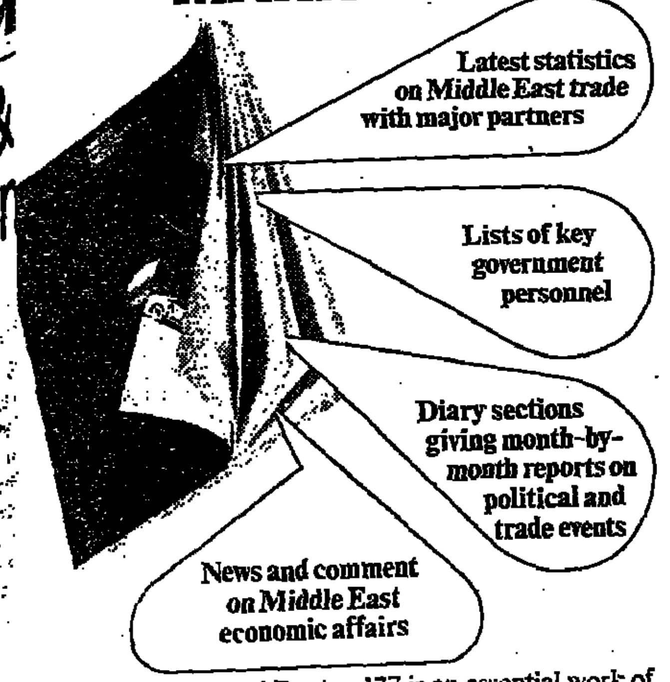
The possibility of a summer election in Canada began to fade in Ottawa yesterday, after the publiccation of the latest Gallup Poll results, showing the Progressive Conservatives level with the ruling Liberal party, with 41 per cent. each of the vote, Victor Mackie writes from there. MPs, surprised by the poll speculated that the election may now be hel din the tuhumn, or even in the spring of 1979, and not in the summer as was widely expected. The Progressive Conservative leadership played down the implications of the poll.

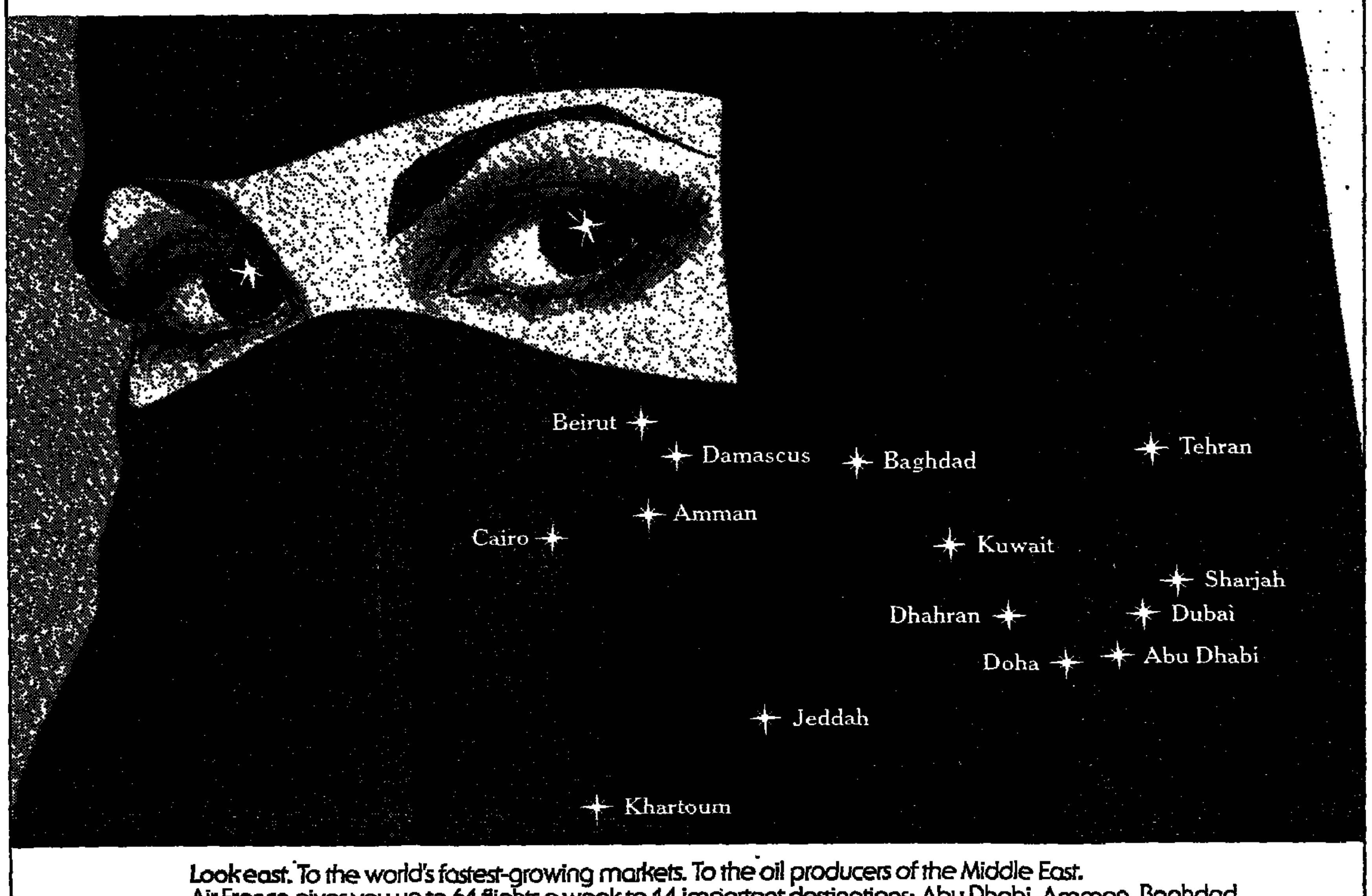
Senate farm vote

The U.S. senate yesterday overwhelmingly *approved* increased loans for financially pressed *farmers and higher price sup*ports for wheat, AP-PJ reports *from Washington.* The loan legislation adds $4bn. in loans and loan guarantees to existing farm loan programmes.

Mexican official jailed

Sr. Fausto Cantu Pena, until last week the head of the Mexican coffee *institute, has been formally* committed to prison, with most of *his senior staff,* our Mexico City correspondent writes. In the *fourth corruption scandal involv*ing senior officials from the 1970-76 presidency of Sr. Luis Echverria, they are accused of defrauding the tax authorities by smuggling coffee to the U.S. and making some $10m. in the first two months of this year alone. Support for Sr. Cantu Pena and his colleagues has come from unexpected quarters, including the Communist Party, because Sr. Cantu claims that he had been denouncing smuggling and tax evasion to the authorities for more than a year, laying the blame at the doors of the customs, who come under the aegis of the Finance Ministry. It was on the basis of a ministry inquiry that Sr. *Cantu was arrested* and Finance officials were cleared.





WORLD TRADE NEWS

New move for action on Eximbank over S. Africa

BY DAVID BELL

WASHINGTON, May 2.

THE HOUSE Banking Committee voted last night to stop the United States Export Import Bank from supporting any U.S. business activity in South Africa until that country make "substantive" progress in a dismantling apartheid.

The vote coincides with a series of demonstrations on campuses around the U.S. at which students are demanding that universities withdraw their investment funds from companies operating in South Africa. The latest took place last night at Columbia University, New York, when some 250 students occupied the administration building.

Yesterday's vote by the Banking Committee has yet to be tested in the full House and in the Senate but it indicates growing opposition within Congress to the South African regime. If approved by Congress it would prohibit Eximbank from supporting any U.S. exports to other businesses in South Africa.

The bank has already sharply reduced its involvement in South Africa but is currently funding U.S. exports worth some $200m. Since 1964 it has been prohibited from making direct loans to South African buyers of U.S. goods, but it has continued to provide various kinds of insurance and guarantees for U.S. private bank loans.

Apart from its action on South Africa the Banking Committee also voted yesterday to raise the lending authority of the bank from $25bn. to $40bn., which is considered by the Administration to be an essential first step in its plan to encourage a far higher level of U.S. exports.

The bank has been criticised in recent weeks for failing to help American exporters sufficiently.

● Concern is growing in the U.S. aircraft industry over European Government financial support for aircraft and engines bought by U.S. airlines, our aerospace correspondent writes.

Pressure is increasing on the U.S. Government to improve direct financial support for U.S. aircraft sales or find some way of blocking certain recent deals involving European products.

The two orders that appear to cause most concern are the Eastern Air Lines purchase of 23 Airbus A-300s for about $800m. (over £400m.), and the Pan American choice of 12 Lockheed TriStars with Rolls-Royce RB-211 engines, with an option on 14 more, worth, in all, about £250m.

In both cases, details of the financing are still being worked out. But, broadly, the Airbus deal is being guaranteed by the French and West German Governments and the Pan Am deal is being financed by U.S. and European banks and other institutions, underwritten by the U.K. Government-sponsored Export Credits Guarantee Department (ECGD).

Toa buys 'super' DC9s

BY CHARLES SMITH

TOKYO, May 2.

TOA DOMESTIC Airlines, the smaller of Japan's two domestic airlines, has announced plans to buy five DC-9-80 aircraft at a total cost of about $80m. The new DC-9s, with seating capacity of 170, are designed to reinforce TOA's existing fleet of 22 DC-9-41s with a seating capacity of 128.

The new "super" DC-9s were included in the aircraft shopping list announced by Toa at the end of March in response to requests by the Transport Ministry to all three Japanese airlines for details of their purchasing plans over the next year or so.

ICI ethylene plant for U.S.

BY KEVIN DONE, CHEMICALS CORRESPONDENT

IMPERIAL Chemical Industries has taken an important step towards establishing a manufacturing presence in the U.S. in downstream petrochemicals.

It has commissioned design and engineering studies for a 200,000-tonnes-a-year ethylene oxide and ethylene glycol plant to be built at a Texas site.

ICI Americas is already engaged in a joint venture in the U.S. to build a $600m., 550,000-tonnes-a-year ethylene plant at Corpus Christi, Texas. But this latest announcement is the first indication of the subsequent manufacturing steps ICI will follow when this plant is complete.

Ethylene is the most important base petrochemical and is a major raw material for products ranging from plastics and synthetic fibres to paints and liquid detergents.

The establishment of a manufacturing presence in the U.S. is one of ICI's chief strategic objectives along with the building up of its market and manufacturing plants in continental Europe.

The ethylene oxide and glycol plant is still to receive final sanction by the ICI main Board, but this could follow later this year.

If the project goes ahead, much of the production would have to be marketed directly, although ICI already has some captive derivative uses

GATT discussions bring progress on key issues

BY DAVID BUCHAN

BRUSSELS, May 2.

THE EEC Commission has made progress in the GATT trade talks in Geneva, with the Community's chief trading partners, Japan and the U.S., on safeguards and subsidies, Foreign Ministers of the nine were told here today.

But Herr Wilhelm Haferkamp, the EEC External Affairs Commissioner, also said the Commission still considered the Japanese and American offers on tariff reductions inadequate, so the EEC has tabled exemptions to its unconditional GATT offer in January.

Indications that the Bonn economic summit in July might be able to sanction an outline GATT agreement were provided by the news that Japan and the U.S. were ready to "accept the principle" that action against imports should be made more selective and flexible. Import curbs under GATT Article 19 must now be made against all countries.

Herr Haferkamp also said the U.S. was prepared to change its domestic legislation, so that U.S. countervailing duties would only be imposed where "subsidised" foreign goods could be proved to have caused material damage to American industry. In return, the U.S. is demanding greater discipline on export subsidies.

Foreign ministers took the Commission's view that the Japanese tariff cuts offer is unsatisfactory. The Japanese term it a 40 per cent. cut, but the Commission says that is only based on out-of-date tariff levels and the reduction is only 18 per cent.

● The combined trade deficit of the seven-nation European Free Trade Association (EFTA) grew from $10.5bn. in 1976 to $12.9bn. last year, Reuter reports from Geneva.

An EFTA statement said six of the member nations saw their trade deficits rise last year, while Finland turned a $1bn. deficit in 1976 into a surplus of $58m. last year.

The statement said the bulk of the combined EFTA deficit —$11.8bn. related to trade with the nine-national European Common Market. To counteract this development, some of the EFTA countries were taking measures to reduce their trade deficits

Norwegian defence deal

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE U.K. is understood to be close to completing a multi-million pound defence deal with Norway, involving the sale to that country of British Aerospace guided weapons, including the Rapier anti-aircraft missile, Westland Lynx helicopters and other items.

Negotiations have been in progress for more than a year, and it is hoped that they may be completed by midsummer. The precise value of the deal is not disclosed, but it is likely to be among the largest U.K. defence sales for some time, with deliveries of the items involved spread over a number of years.

Recent reports suggesting that Norway may be seeking some kind of offset for the deal, in the shape of U.K. imports of Norwegian products, are not confirmed in the U.K. The U.K. aerospace industry, however, accepts that offset or "barter" deals are now becoming a fact of life in winning major sales of aircraft and guided weapons, and while it would always prefer cash deals, it is ready to discuss barter deals if this proves to be the only way of securing a contract.

It is possible, for example, that Norway may seek to follow in the wake of Finland's recent £100m. purchase of 50 U.K. Hawk trainer and combat aircraft, which is covered by an extensive barter deal, whereby the U.K. not only has agreed to import more Finnish goods but also help Finland sell its products in other world markets.

Lynton McLain writes: Norwegian inquiries about buying submarines from Britain are "very much at an early stage," British Shipbuilders said last night.

The Ministry of Defence would not confirm that talks were taking place between Britain and Norway. But if submarines are ordered from Britain they may be based on a German design commissioned by the Norwegians. The British Defence Sales Organisation would probably handle the sale.

Vickers, now part of British Shipbuilders, has had no direct contact with the Norwegians. Its latest dealings with Norway were a joint design exercise for an advanced coastguard vessel.

Swedish pulp outlook

BY WILLIAM DULLFORCE

STOCKHOLM, May 2.

THE SWEDISH pulp makers have cut back their expansion plans for this year and next but over the five-year period to 1983 total capacity is expected to grow from 11.5m. tonnes to 12.5m. tonnes.

This will not increase the chemical pulp available to outside customers (the so-called market pulp), as the extra capacity will be used to expand the Swedish mills' own integrated paper and board output. These conclusions can be drawn from a survey by the Swedish Pulp and Paper Association, reported in its April bulletin.

The survey also indicates an expansion of Swedish paper and board production by 1.3m. to 8.3m. tonnes by 1983. This gives an annual rate of increase of 3.5 per cent., roughly in line with the FAO forecast of annual world consumption growth of 3.7 per cent. between 1975 and 1990. It is, however, higher than the 3 per cent. growth in paper and board consumption forecast for Western Europe, the Swedes' main market.

Saudi project choice

Ralph M. Parsons Co. has won a contract, believed to be worth $10bn., for exclusive management services in a big industrial complex at Yanbu, Saudi Arabia, Reuter reports from Pasadena.

Steyr-Sears contract

Steyr-Daimler-Puch is to supply Sears Robuck with moped motors for assembly from 1979 by bicycle producer Murray Ohio and subsequent sale by the U.S. retailer, Reuter reports from Vienna.

W. Bank cement plant

THE FRENCH company Fives Cail Babcock has no intention of investing in a cement plant in the West Bank, as reported in the Financial Times on April 21. The company said it did not plan any involvement in such a project.

China orders advanced French anti-tank missiles

HONG KONG, May 2.

CHINA, WHICH is seeking to modernise its armed forces, has placed its first order for sophisticated weapons from the West, the Asian Wall Street Journal reported.

Wu Hsiu-Chuan, deputy chief of general staff of the Chinese People's Liberation Army, telling military affairs specialists of China's plans for an eventual takeover of Taiwan, said France had agreed to sell China anti-tank missiles and related technology.

His remarks were reported in Mainichi Shimbun in Japan and a Chinese translation was carried in Ta Kung Pao, Hong Kong's Communist newspaper. The article's appearance in Ta Kung Pao is taken as confirmation of its accuracy.

The account said Wu disclosed that China is working on anti-tank missiles but that progress had been unsatisfactory.

China had bought "a certain number" of French Hot long-range anti-tank missiles whi
with the shorter-range Mila
the Chinese are known to ha
been interested in acquiring. T
Hot missile is far superior
anything in the Chinese arsen

The Chinese made it cle
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nation's drive to modernise
areas by the century's end.

AP-DJ

Australian surplus talks

BY JOHN HOFFMANN

PEKING, May 2.

DURING THE first few days of a 10-day visit to China Mr. Phillip Lynch, Australian Minister for Industry and Commerce, has talked with senior members of the trade and industrial ministries.

According to Mr. Li Chiang, Minister of Foreign Trade, China did not ask for an absolute balance of trade with Australia, but there was an imbalance and it was up to both sides to do something over the long term to even it out.

Mr. Lynch has secured assurances that China needs to import Australian raw materials, technical know-how and agricultural produce.

Until China achieves its industrial goals, however, it is not likely to be able to offer Australia goods of equivalent value.

In 1977 Australian exports to China were worth $413.5m. In return Australia bought goods worth only $111.8m. from China. The trade imbalance is not always so great.

However, China's consumption of Australian raw materials is almost certain to accelerate and that will tip the balance even more in Australia's favour.

Sydney Morning Herald

Kenneth Randall writes from Canberra: Chinese Government officials have indicated a keen interest in buying big quantities of Australian iron ore and other minerals, steel and agricultural equipment as part of the new national seven-year plan to develop science and technology.

Mr. Lynch's arrival was at the right time to capitalise on the adoption of the new programme.

Mr. Lynch has been told that the Chinese want to make a "comprehensive study" of what Australia has to offer in all aspects of the plan. It has been suggested that purchases of Australian iron ore might rise to about 7.5m. tonnes a year by 1985, a 240 per cent. increase

Duty warning in dumping probe

BY KENNETH RANDALL

CANBERRA, May 2.

AUSTRALIAN CUSTOMS authorities investigating dumping allegations have warned importers that continued dealing in the goods concerned might involve them in restrospective penalty duties.

The investigations involve car hoists from Britain and Japan, automotive oil filters from Thailand and paper and paperboard products from Sweden, Finland and Canada.

The Government's temporary assistance authority has also been asked for an emergency report on imports of certain types of glass and porcelain electrical insulators.

India in £22m. Vietnam rail wagons order

By Our Own Correspondent

NEW DELHI, May 2

INDIA WILL export to Vietn
railway equipment worth R350
(£22m.). A contract was sign
here between Mr. Sure
Chandra, executive director
the State-owned Projects a
Equipment Corporation (PE
and Mr. Le Quang Tuong, dir
tor general of the Vietn
national machinery import-exp
corporation, Machino Import.

It is one of the biggest sing
orders for railway equipme
placed in India and indicat
international acceptance of t
quality and competitiveness
Indian rolling stock, Mr. Sure
Chandra said.

Under the contract, PEC w
supply Vietnam Railways wi
980 wagons, 50 passenger coach
about 1,000 bogies for coach
and wagons, and spare parts. T
rolling stock will be special
designed and constructed f
Vietna mRailways, which uses
metre gauge.

Vietnam will finance the pu
chase of the railway equipme
from the R300m. commerci
credit extended by the Industr
Development Bank of India a
R100m. bilateral credit from t
Indian Government. The agre
ment for the credit was co
pleted during the Vietname
Prime Minister's visit to Ind
last March.

John Menzies 78

John Menzies (Holdings) Limited

John M. Menzies, Chairman

John Menzies was founded in 1833 as a family business and the Menzies family are still active in the management of the company, which has been publicly quoted since 1962.

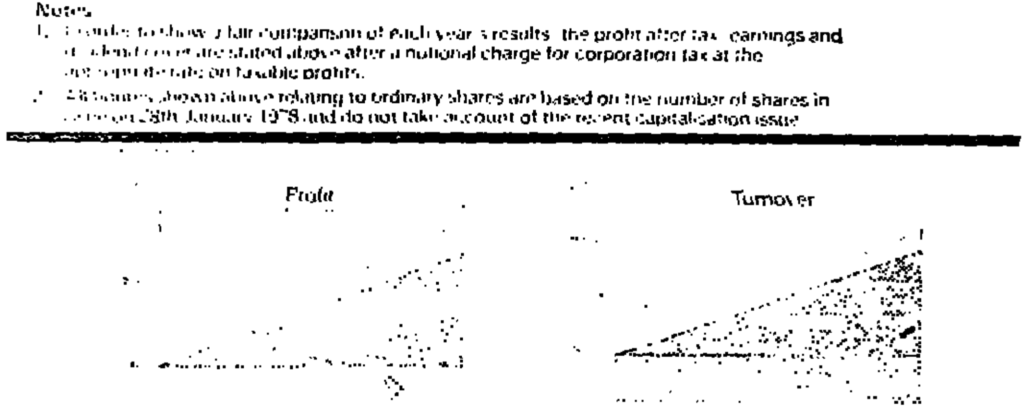
John Menzies is one of the two largest U.K. distributors of newspapers, magazines, books, stationery and associated products, and is fast expanding the range of goods held in its stores. It operates from approximately ninety wholesale depots and more than two hundred retail outlets—ranging from city centre department stores to station and airport bookstalls throughout the country.

Ten Year Record

	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
	£000	£000	£000	£000	£000	£000	£000	£000	£000	**£000**
Turnover	48,506	50 375	56,616	65,229	61,050	77,373	104,195	129 441	144 096	**168,882**
Profit										
Trading	880	827	987	1 445	1,905	2,348	2 603	3 069	3 276	**4,898**
[illegible]	770	775	949	1 377	1 936	2,403	2,138	2,720	3,095	**4,739**
[illegible]	[illegible]	397	529	773	1 090	1 169	925	1 270	1,430	**2,249**
Per ordinary share										
[illegible]	[illegible]	4.4p	6.3p	10.0p	14.7p	15.3p	12.5p	17.7p	20.0p	**32.3p**
[illegible]	1.57p	1.67p	1.92p	2.02p	2.52p	3.20	3.52p	3.82p	4.23p	**4.70p**
[illegible]	[illegible]	2.6	3.3	3.7	5.8	4.7	3.6	4.6	4.7	**6.9**
Capital employed										
[illegible]	[illegible]	15.5%	17.2%	23.2%	27.9%	29.8%	21.5%	22.0%	21.0%	**27.3%**
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8,323	10,266	12,642	15,011	**17,509**
[illegible]	[illegible]	42.8p	47.0p	55.7p	69.5p	86.9p	116.9p	153.0p	191.3p	**223.2p**

Notes

1. In order to show a fair comparison of each year's results the profit after tax, earnings and dividend cover are stated above after a notional charge for corporation tax at the [illegible] rate on taxable profits.
2. All figures shown above relating to ordinary shares are based on the number of shares in issue on 28th January 1978 and do not take account of the recent capitalisation issue



This Years Results

Sales have increased by 17.1%. Profits before tax of £4 739 000 for the year ended 28th January 1978 against a figure of £3 095 000 for the previous year, represent an increase of 53.1%.

At an Extraordinary General Meeting held on Monday, 20th March 1978, a Special Resolution was passed increasing the authorised capital of the Company from £3 500 000 to £7,500,000 creating an additional 9 056 248 Ordinary Shares of 25p each and 1 735 938 new 9% Cumulative Preference Shares of £1 each. A further Ordinary Resolution authorised capitalisation of reserves to pay up in full 1,735,938 9% Cumulative Preference Shares of £1 each on 16 943 750 Ordinary Shares of 25p each issued in the proportion of one Preference Share for every four Ordinary Shares, and one new Ordinary Share for each Ordinary Share presently held.

The Final Dividend on the Ordinary Shares for 1978 is shown as 1.185p per share, which would have been equivalent to 2.370p per share before capitalisation. The total dividend for the year, which gives an increase of 10% over last year, is the maximum the Group is free to pay under existing restrictions and amounts to 2.3485p per share now in issue or 4.697p per share under the original capitalisation.

All divisions of the Group have contributed to this excellent performance. Wholesale turnover benefited from a welcome buoyancy in periodical and magazine sales, while our retail sales increase outperformed the market sector. Results for the first eight weeks of the current financial year are on budget for turnover and profit before tax, and indicate a further increase in profit for the year.

[illegible] Annual General Meeting to be held at 20 Hanover Street, Edinburgh on the 24th May 1978 at 12.15p.m. [illegible]

John Menzies, Hanover Buildings, Rose Street, Edinburgh EH2 2YQ

TOTAL OIL MARINE LIMITED

A British company incorporated as a Limited Company on July 8, 1964 and registered under the No. 811900 on the British Register of Companies

Head Office: Berkeley Square House, Berkeley Square London W1X 6LT, United Kingdom

£25,000,000 Sterling
9½% Sterling Foreign Currency Notes
due December 1, 1984
Guaranteed by
COMPAGNIE FRANCAISE DES PETROLES
General Meeting of Noteholders
Notice of Meeting

The General Meeting of holders of 9¼% 1977-1984 £1,000 Total Oil Marine Limited sterling foreign currency notes, issued in December 1977, shall be held on Thursday May 25, 1978, at 11 a.m. in the offices of Banque de Paris et des Pays-Bas, 33 Throgmorton Street, London EC2N 2BA, to discuss and approve the subjects on the following agenda:

AGENDA

—Appointment of noteholders' representatives;
—Determination of their powers and their remuneration.

All holders of 9¼% 1977-1984 notes may attend or be represented by an alternate of their choice at this Meeting: nevertheless to exercise their rights, they are required to deposit their securities five days prior to the scheduled date of the Meeting with the Banks and the Financial Institutions having participated in the issue of these notes.

Invitation cards for admission to the Meeting as well as proxies for noteholders to be represented by an alternate will be issued by these Banks and the Financial Institutions to such noteholders as shall request them.

THE BOARD OF DIRECTORS

Rand Mines Properties Limited

RMP

(Incorporated in the Republic of South Africa)

A Member of the Barlow Rand Group

INTERIM REPORT TO SHAREHOLDERS FOR THE SIX MONTHS ENDED 31 MARCH 1978

Consolidated Profit

The unaudited consolidated results of Rand Mines Properties Limited and its subsidiaries for the six months ended 31 March, 1978, together with the results for the same period last year and the audited results for the year ended 30 September 1977 are:

	Six months ended 31 March 1978	Six months ended 31 March 1977	Year ended 30 September 1977
Turnover*	R9 754 000	R11 629 000	R20 956 000
Profit before Taxation	R1 555 000	R 2 221 000	R 3 316 000
Taxation	R 115 000	R 327 000	R 188 000
Profit after taxation	R1 440 000	R 1 894 000	R 3 128 000
Profit attributable to *outside* shareholders in subsidiaries	R (12 000)	R (6 000)	R 5 000
Consolidated Profit after taxation	R1 452 000	R 1 900 000	R 3 123 000
Dividends declared and paid	Nil	Nil	R 1 736 000
Number of shares upon which earnings per share are based	12 403 000	12 403 000	12 403 000
Earnings per share based on consolidated profit after taxation	11.7 cents	15.3 cents	25.2 cents
Dividend per share	Nil	Nil	14 cents

* Turnover includes revenue from property sales, limited where applicable to the proportion of sales received in cash from which profits have been taken, rentals, sales of gold, farm crops, timber and other trading operations.

Profit before taxation includes:

	Six months ended 31 March 1978	Six months ended 31 March 1977	Year ended 30 September 1977
(a) Profit from disposal of property (Note 1)	R1 823 000	R 1 825 000	R 2 898 000
(b) Profit/(loss) from timbers and other Thesens' operations	R (65 000)	R 150 000	R 501 000
(c) Profit/(loss) from mining operations comprising: (Note 2)			
Working profit/(loss) and realisation of surplus items	R (116 000)	R 135 000	R 132 000
Provision for mine closure costs	R Nil	R —	R (310 000)
Provision for dump vegetation, water pollution and compassionate grants to mine employees	R Nil	R —	R (296 000)
State assistance receivable	R Nil	R (7 000)	R (7 000)
Provision for sands dump experimental work	R Nil	R —	R (102 000)
Mining profit/(loss)	R (116 000)	R 128 000	R (583 000)

NOTES:

1. Profit from the sale of property does not occur in a regular pattern. The profits earned during the six months ended 31 March 1978 include income in respect of a major land sale and a proportion of an expropriation settlement.
2. (a) The underground mining operations on City Deep Limited, Crown Mines Limited and Consolidated Main Reef Mines and Estate Limited have been suspended. Clean up and closure activities are in progress.
   (b) Experimental work on the retreatment of sand dumps is proceeding.

Capital Commitments:

The commitments for capital expenditure at 31 March 1978 amount to R365 000 (1977: R730 000).

Dividend:

It is the policy of the company to declare one dividend in November each year.

For and on behalf of the Board
J. B. Maree | Directors
A. B. Hall |

Registered Office:
Off Main Reef Road,
Crown Mines,
Johannesburg 2093,
South Africa.

2 May 1978

هكذا مضى الأجل

هكذامت الأجل

HOME NEWS

'oncrete :artels save noney'

; Michael Cassell,
ilding Correspondent

SYSTEM of informal ng agreements between com- es in the ready-mixed rete sector had provided mers with considerable gs. Ready Mixed Concrete, of the industry's major sup- s, claimed yesterday.

reements operated by al of the company's ipal U.K. subsidiaries, along those of other suppliers, placed on the register of ictive practices last year investigations by the Office Fair Trading. The con- rsial arrangements have now halted.

Ready Mixed Concrete's al report, published yester- Mr. John Camden, chairman, that after a period of con- l expansion up until 1973, ready-mixed sector faced a l and substantial fall in and because of the construc- industry recession.

Ve consider the advantages ing to the customer from arrangements may well have considerable in recent years. made it possible to plan t-term capacity and contain and also to retain bility.

he retention of valued em- ees would have become difficult as the recession ened if the arrangements not operated." The com- appreciated it was becom- nore difficult in the current e market situation to prove the arrangements were in public interest.

a result, the company had opposed orders made by the rictive Practices Court to ent the arrangements from g continued, although it re- ed in a very strong position ompete successfully.

irman's statement, Page 32

'roperty group ells Hamburg ity project

John Brennan,
operty Correspondent

ITAL and Counties erty Company has finally itself of the last of its major tinental property develop- t schemes, the £21m. Ham- city centre project.

e development which never ressed beyond the planning e, has now been sold to the nan insurance group Allianz ensversicherungs AG, gart, for DM.26m. (£7.1m.)

pital and Counties wrote n the book value of this pro- site close to its sale price wing part repayment of ds Bank International ges on the scheme last year.

r. R. A. Moorman, an execu- director of the group, said erday that "we are very sed to have sold the scheme, h is far too large for us in new smaller shape."

he Hamburg site, acquired in 1973, formed part of ital and Counties' explosive elopment expansion, which a dramatic reversal with property market crash.

apital and Counties shares e unchanged at 46p on news he Hamburg sale.

'ost Office to xtend circular leliveries

y John Lloyd

E POST OFFICE will extend r-to-door deliveries of un- ressed circulars along with regular postal deliveries.

he service—known as the sehold Delivery Service— introduced on a limited scale ly last year. It is available a number of head post office as, and it is intended to ex- d it country-wide in the next months.

he deliveries will include ns such as leaflets advertising cial offers, charities' circu- s and local authority inform- on.

he cost per item for local ivery will be 1p, and for ional delivery 2½p.

Texas Eastern plans £165m. N. Sea stake

BY RAY DAFTER, ENERGY CORRESPONDENT

TEXAS EASTERN, a U.S. energy group with a stake in several U.K. oil and gas fields, is planning to invest more than $300m. (about £165m.) in North Sea activities over the next five years.

Dr. George Kirby, chairman and chief executive, said that the investment could be much higher if the company succeeded in expanding interests outside the oil- and gas-producing sectors. Texas Eastern was considering diversifying into the offshore services industry, for example.

The North Sea represents the company's fastest-growing oil-producing region and, as a result, the group is now seeking to raise its activities in the U.K.

To-day the directors will hold a regular Board meeting in London, the first time that such a meeting has been convened outside North America.

The company has varying interests in southern gas fields as well as oil discoveries in the northern waters of the North Sea. Its share of production from the Montrose and Beryl Fields amounted to 16,100 barrels last year.

Dr. Kirby indicated that the group, which has already invested $300m. in the North Sea, could soon be involved in the exploitation of further oil reserves. Development decisions for the Amoco group's North West Hutton Field and the Amoco/Conoco groups' nearby Hutton Field could be taken within the next six to nine months.

The two fields might use a joint oil transportation system, either an offshore loading unit or pipeline.

Exploitation of the Statfjord and Murchison fields, in which the company has minority interests was also proceeding, Dr. Kirby added. The possible development of the Mobil Group's North Beryl structure was also being studied.

Dr. Kirby avoided being drawn into the controversy, generated by other U.S. oil executives, over the growing role of the British National Oil Corporation.

"We want to invest more money. We have ben here 15 years and this has been of great value to us," he told the Financial Times.

"If regulations in future are reasonable we will continue to play our part. After all, our business is already heavily regulated in the U.S. and dealing with Governments and Government agencies is nothing new."

The company, whose revenues exceeded $2bn. last year, is among the Amoco group which is expected to sign State participation terms with the Government and the oil corporation later this week.

The corporation is expected to be granted the right to buy a large share of the oil produced from the Montrose Field.

If the deal is signed the partners in the venture—Amoco, Amerada Hess, British Gas Corporation and Texas Eastern—will have a good chance of being awarded new exploration areas under the sixth round of licences.

The proposed conditions for these new licences are expected to be unveiled by the Energy Department next week.

The Amoco group failed to obtain any licences under the fifth round of allocations, largely because of its opposition to voluntary State participation arrangements.

Security printers rejected job 'because of Arab boycott'

BY MAURICE SAMUELSON

BRADBURY WILKINSON, the security printing company, refused to print an issue of Eurobonds for an Israeli bank because of the Arab boycott, Lord Mancroft said yesterday in evidence to the Lords select committee studying the Foreign Boycotts Bill.

The Bill, modelled on recent legislation in the U.S., aims to protect British companies which encounter boycott pressures. One of its provisions would oblige companies to report receipt of all boycott questionaires to the Government, which would compile a register.

The former Conservative Minister read a statement on behalf of the Bank Leumi (U.K.), of which he is a diector. It said when the bank's Israeli parent group made an issue of Eurobonds in 1976 Bradbury Wilkinson refused to do the printing. "We had the securities printed by a Dutch firm more cheaply."

Mr. J. Field, managing director of Bradbury Wilkinson, denied the allegation. "We did not turn down any business with the Bank Leumi because of the Arab boycott. If the bank reached this conclusion, it was a misunder standing."

Mr. Zvi Schloss, another Bank Leumi director, said the bank learned of the printer's refusal after arrangements for the printing had already been made. No reasons were given for the refusal and the bank was left to understand that it was because of the Arab boycott.

The case was one of a number mentioned to the select committee as an example of British companies which avoided potential conflict with the Arab boycott by having no Israeli business relations.

Lord Mancroft said such cases were quite frequent and decisions were often made without examining other alternatives.

Bank Leumi U.K. had lost the account of a customer which had been taken over by a large public company which was strongly involved in Middle East trade.

The extent to which some banks accommodated themselves to the boycott was exemplified by a recent circular from Standard Chartered Bank. According to Lord Mancroft it instructed its banking correspondent of ways in which they could effectively handle letters of credit which complied with the boycott in a manner which did not infringe the new American regulations.

These cases seemed to underline the need for effective legislation, he told the committee, which is under the chairmanship of Lord Redcliffe-Maud.

Earlier Lord Mancroft recalled how he had been obliged to resign as a London director of the Norwich Union insurance societies in 1963 after complaints by the Arab boycott office about his simultaneous directorship of the Great Universal Stores, whose chairman, Sir Isaac Wolfson, was a benefactor of Israel.

Lord Mancroft explained that he had been chairman only of the Norwich's London directors—a "small minnow" compared with a directorship on the parent Board in Norwich. There had been allegations that he had incurred Arab displeasure partly because he was Jewish. He had been "astonished", however, when Arab officials assured him that they had not known of his religious affiliations.

He had never been back to the Norwich since, although he had continued to insure with them. He refused to discuss his feelings about the episode, which caused widespread political controversy at the time.

Lord Mancroft sai dhe had been personally harmed much more by the subsequent withdrawal of an invitation to become president of the London Chamber of Commerce in succession to the late Lord Verulam.

Foreign-based funds benefit pensions

FAR EASTERN and European-based funds have shown the best investment equity performance so far this year for pension schemes according to figures published by Harris Graham and Partners, a leading pension consulting firm, covering the first quarter of the year.

The best equity fund was Japan Exempt Fund, managed by Edinburgh Fund Managers, which improved by 48 per cent. London Continental, the European-based fund managed by Drayton Montagu Trust managers, increased by 7.6 per cent.

But overall, equity funds showed an average loss of 1.1 per cent. in the first quarter of this year, compared with a fall of 2.9 per cent. in the FT-Actuaries All Share index. Out of 52 funds analysed, only 20 showed a positive return over the period.

The best fund investing primarily in the U.K. was Tyndall Exempt with a rise of 2.6 per cent. But this fund holds a part of its portfolio overseas, and it has been this overseas portion that has enabled many funds to show a positive return.

Police may probe home loan society

By Michael Cassell,
Building Correspondent

POLICE INQUIRIES are expected after disclosure of a £46,000 discrepancy in the accounts of Chorley Permanent Benefit Building Society.

The deficiency was revealed during the preparation of year-end accounts.

The society has assets of £1m. and has emphasised that the deficiency was fully covered by reserves. The Board has decided to seek a merger with the Bradford and Bingley Building Society, which has assets of £900m. and a particularly high asset ratio of 4.28 per cent.

The Bradford and Bingley said last night that discussions involving a transfer of engagements from Chorley Permanent had started about six weeks ago. When the deficiency was brought to light by the Chorley's auditors, the chief registrar of friendly societies was told and he asked the Bradford and Bingley to take charge of the matter. The police had expressed a wish to make inquiries when the final accounts were available.

The Bradford and Bingley said it hoped the transfer of engagements would be completed by the end of next month and full details of proposals would be made available to Chorley members in about a month's time.

The Chorley Permanent is not a member of the Building Societies' Association, which said last night that it had not played any direct part in the takeover proposals.

Moves to establish a rescue fund for investors hit by building society collapses still are being discussed by the association. One of the major discussion points is whether or not the fund would cover non-association members, such as the Chorley Permanent, although in this case total financial failure, such as that of Grays, was not the central issue.

Brewers 'will increase choice'

By David Churchill

THE MAJOR brewers last night agreed to review over the next six months the extent of local monopolies and to take steps to increase competition.

The agreement came after talks between the Brewers Society and Mr. Roy Hattersley, Prices Secretary. As expected, the brewers also agreed to freeze beer prices at least until early next year. This followed the example set last week by the two main brewers, Bass Charrington and Allied Breweries, to impose a voluntary price freeze.

The agreement to improve competition follows a recent Price Commission report which highlighted the barriers to competition in some areas caused by brewers' monopoly of public houses.

But the Brewers Society pointed out after last night's meeting that the number of brewery-owned public houses is declining as a proportion of licensed outlets and that this trend was accelerating.

It also said that competition between public houses was basically between the package of amenity and drink which each outlet offered. "This competition is effective and keeps prices down."

Following the results of the brewers' survey of local monopolies, it is likely that breweries will arrange to swap public houses in certain areas to improve competition.

The brewers had also agreed to see how draught ales could be exchanged in some areas where the tied houses system operated.

The future efficiency of the industry would be aided by a study of both past and planned investment, undertaken by the brewing working group on the food and drink manufacturing industry economic development council.

Three of London docks may close

BY LYNTON McLAIN, INDUSTRIAL STAFF

COMPLETE CLOSURE of the Millwall, India and Royal group of docks on the Thames is one of the options in a new five-year plan prepared by the Port of London Authority to cut mounting financial losses and prepare the way for increased specialisation at Tilbury.

Some of the options are in a discussion document on the future of the docklands to be published on Friday with the 1977 annual report, which is expected to show a loss of £6m. and a further drain on the financial reserves of the authority, continuing the fall from £50m. to £10m. in 1976.

Full details of the five year plan will remain confidential. The full plan contains commercially sensitive costed options including the possibility of building major new terminals down river.

The authority says it has no spare cash to finance any of these changes, needed to keep the port competitive. The possibility of cash from the Government has already been considered and Mr. William Rodgers, Transport Secretary is giving the matter "urgent consideration."

The department said he recognised the seriousness of the position. He had had several meetings with Mr. John Cuckney, chairman of the authority.

Increased productivity at the £60m. Tilbury container terminal downriver of the threatened docks helped boost the cargo handled last year by 2.5m. tonnes to 51m. tonnes.

But the older docks are now seriously under-used. Only half the 28 berths at the India and Millwall complex are operational and at the Royal group only 14 out of 40 are in use.

"Very important decisions have got to be made very quickly," the authority said last night. "These will not be popular."

EEC will encourage steel making from scrap metal

BY ROY HODSON

THE EUROPEAN Economic Community will encourage the expansion of steel making by the electric arc process based on scrap steel, although all other forms of steelmaking will be pegged at present levels by the Davignon Plan.

The purpose of the plan is to maintain orderly markets for steel in Europe.

Viscount Etienne Davignon, the European Industrial Commissioner, has the backing of the other European Commissioners for his two-part programme, which will protect the European market from low-priced imports of steel, and monitor the EEC steel industry to prevent unnecessary growth in steel-making capacity in the next few years.

An exception is being made in the case of electric arc steel-making because EEC officials believe it is in the interest of the Community to keep scrap steel circulating in use in the Nine.

The British scrap industry had virtually a general licence from the Government since last year to export scrap to third nations.

Nearly 800,000 tonnes of British scrap have been sold to Spain in the past year. Total exports are running at 1.3m. tonnes a year.

The price of good British steel scrap has risen from £25-£28 a tonne to £35-£40 a tonne in recent weeks assisted by the willingness of British Steel and the private sector companies to pay higher prices.

British Steel has decided to boost its biggest scrap-based steel-making plant—the electric arc Spear furnaces at Rotherham—by equipping it with a new continuous casting unit.

De Beers wins back gem sales control

By Paul Cheeseright

A SIGNAL that the De Beers Central Selling Organisation had won back control of the world rough gem diamond market came yesterday when clients at one of its 10 sales a year in London were offered a larger volume of stones.

Some estimates put the stones offered at 15 per cent. above the abnormally low volume of gems pushed on to the market at the April sale.

De Beers merely confirmed that more stones were on offer: "We are back to normal," it said. The company has a near monopoly on world sales of rough stones.

But all stones are subject to a 25 per cent. surcharge on the list price established in December. At the April sale the surcharge was 40 per cent., as De Beers sought to curb speculative trading.

Until early April the international rough stone market had been distorted by the hoarding of stones and the payment of premiums on the open market running at a level often 50 per cent. above the Central Selling Organisation price. The hoarding, centred on Israel, has now stopped and some stones are coming back into circulation.

Regular

The reduction of the surcharge and the increased volume of stones available to the 300 clients who attend the De Beers sales indicate that the flow of diamonds from the mines through the processing industry to the jewellers is becoming more regular.

But manufacturers from Antwerp, the world's largest diamond manufacturing centre, said that the offering at the present sale was by no means large and saw no reason to change their earlier calculations that the selling organisation is in fact short of stones to satisfy the market.

Contraction in consumer electronics trade urged

BY MAX WILKINSON

SUBSTANTIAL contraction and rationalisation of capacity in the consumer electronics industry is recommended in an industrial stategy report published to-day.

The report, from the Electronic Consumer Goods Sector Working Party of the National Economic Development Council, says that further jobs will be lost in the short term.

The working party believes that the industry's fixed assets are currently being operated at only about half their potential capacity.

"As a matter of urgency, the industry's capacity should be rationalised by perhaps 20 to 30 per cent."

It also calls for further curbs on imports of black-and-white television sets and audio equipment to allow the U.K. companies a breathing space to recover.

Imports

"There is great concern at [illegible] import penetration threatens the viability of U.K. manufacture of monochrome television and audio products. Inter-industry talks between the U.K. and Japanese consumer electronics industry have been concluded and should help to stabilise markets.

"The problems of imports from other sources remain and the working party hopes that the Government will stand as firmly as possible behind the industry demands to contain and cut back imports in this sector."

However, the report adds: "If these problems can be overcome, the working party believes that the industry can increase its share of Western European markets, where it has a significant cost advantage, and attain its objective of eliminating the present deficit on the sector's balance of trade.

It says that its strategic thinking for the sector has been handicapped by the need to devote efforts to resisting the proposal by Hitachi to set up a new colour television factory in the North East.

"As a direct consequence the working party is not able to demonstrate the degree of progress in its strategy work which it had anticipated at the end of 1976."

It opposed Hitachi's plans because of the twin problems of fragmentation and over-capacity of the 11 manufacturers already in the U.K.

Employment

"The working party believed that not only is additional capacity unnecessary, but that the establishment of this plant in the U.K., by further adding to competitive pressures, could result in a heavy net loss of jobs (perhaps as high as 5,000) and also a substantial worsening of the sector's balance of trade."

The report shows that the industry's output was £418m. in 1976, roughly the same as in 1974 but slightly less than the figure for 1973.

Employment in the industry fell 30 per cent. from its peak of 70,000 in 1973 to 49,000 in 1976. The sector's deficit on the balance of trade fell from £219m. in 1973 to £131m. in 1976.

To improve penetration of West. European markets from about 2.2 per cent. in 1975 to a planned 4 per cent. by 1980, the industry would urgently need to slim down to a more competitive size.

The industry would also need to keep a brand product range including production of monochrome television and audio.

BANK OF ENGLAND'S NEW EVIDENCE TO WILSON COMMITTEE

Fringe lifeboat 'wholly successful'

BY MICHAEL BLANDEN

THE LIFEBOAT support operation for the fringe banks was undertaken in the compelling interests of maintaining confidence, domestic and international, in the banking system, the Bank of England said in new evidence to the Wilson committee on the financial institutions.

Setting out for the first time its own detailed analysis of the events leading up to the fringe bank crisis and the action taken to combat the pressures, the Bank concludes that the operations were wholly successful in achieving their main aim.

It recognised that there would be a cost. But the potential losses had been fully provided for by the banks which gave support. And, whatever the ultimate losses might prove to be, "they will be far less than those that would have been sustained by the support group and the economy at large had the support operations not been undertaken."

The Bank's evidence showed that at its peak, at the end of 1974, the support provided by the lifeboat group totalled £1.18bn., close to the £1.2bn. limit which the clearing banks were prepared to accept. Further support undertaken by the Bank on its own brought the maximum overall total of support to £1.28bn. in March, 1975.

The need for this additional help was short-lived, however, and the total began to fall back. By now, the Bank reported, outstanding support provided by the group had been reduced to almost half its peak level and the greater part of the remaining amount was accounted for by two institutions.

The Bank conceded that "it may well be several years before these situations, the various liquidations and the realisation by the Bank of assets acquired as a result of its own support operations are worked out."

It expressed its belief that the improved supervisory arrangements already made and the planned legislation "will go far to reduce the risks of major difficulties arising and will provide a satisfactory basis for dealing with any which do occur."

The weaknesses

In its paper, presented at the request of the committee's research panel and published to-day, the Bank said that even now the interaction of the factors which led up to the fringe bank crisis were difficult to unravel.

It identified two main elements in the situation. These were:

FIRST, certain weaknesses in th supervisory system for the banks and in the various recognitions which could be accorded to deposit-taking institutions.

SECOND, the development of the economy after about the middle of 1971, which brought together rapid monetary expansion, a relative ease of access to deposits by the secondary banks and a rapid growth of lending on property.

Examining the limits to its own supervisory function, the Bank described the long-established system of supervision which "rested on a well-understood distinction between deposit-taking institutions which were recognised as banks and those which were not."

Together with this form of recognition, there were two legal categories of banks: those authorised to deal in foreign exchange: and those allowed accounting privileges under the 1948 Companies Act.

This general system, the Bank commented, proved very effective. Depositors had no reason to doubt the safety of money placed with fully-recognised banks and the system allowed the establishment and advancement of deposit-taking institutions which had yet to gain recognition as banks.

Isolated examples of difficulties among such institutions in the 1950s and early 1960s, however, led to the 1963 Protection of Depositors Act and to the establishment of a list of institutions exempted from the provisions of the Act. In the 1967 Companies Act under section 127, a further list was created, agreed between the Board of Trade, the Treasury and the Bank.

The Bank said in its evidence that there were weaknesses in the Protection of Depositors Act. But "there would probably not have been any great danger of the public being unable to distinguish between banks and other deposit-taking institutions, had the statutory position then existing remained unchanged. For no domestic institution of any importance could in practice, readily and without challenge, hold itself out to be a bank, or be accepted as such, unless it was within the supervisory area administered by the Bank."

The position did change, however, with the introduction of section 123 of the 1967 Act, designed to overcome a problem in relation to exemptions from the Moneylenders Act. One major difficulty with this provision was that, like section 127, the criteria used in judging applications for a certificate were "based on the functional characteristics of a banking business rather than on judgmental tests of quality or repute."

The Bank concluded that "the possession of the certificate was proof that the company concerned was not subject to the Moneylenders Act, but in more general and unanticipated ways it allowed the impression to be created that the companies concerned were recognised by the responsible Government department as carrying on a banking business, without drawing attention to the fact that they were only so recognised for one narrow purpose."

The growth of the secondary banks, the Bank pointed out, was also encouraged by the general economic background. The tight credit controls in the late 1960s provided an opportunity for other institutions to expand in the lending business, to a point which by the end of the decade was appreciably affecting the effectiveness of the credit control technique.

One answer would have been to extend the scope of the Bank's influence by custom and practice and some moves were made in this way with the larger finance houses. But "efforts in this direction were resisted in a number of other cases," and the alternative approach was adopted in the 1971 competition and credit control policy of removing the restraints on the banks.

"The expectation was that, perhaps not immediately but in a short while, the fringe would contract to a level of comparative unimportance."

Part of the official strategy was to make finance readily available in order to encourage economic recovery. But, investment by industry was slow to pick up, in marked contrast with the property development business. With the necessary finance so readily to hand, "far too much of it was undertaken all at once." This was encouraged by the belief that property was the inflation hedge *par excellence*—"a belief which was adhered to in some quarters with blind assurance."

The banks, although they weakened later, had reservations about being too heavily involved in property, so the fringe was encouraged to extend its position, and this was greatly facilitated by the relative ease with which it was able to obtain deposits.

This arose out of the vigorous expansion of the money markets and a blurring of distinctions between banks and non-banks encouraged among other points by the ambiguities of section 123 recognition.

The fringe banks were vulnerable, the Bank added, because if it became difficult to renew their mainly short-term deposits, liquidity problems would arise rapidly. This first came to a head in London and County Securities.

The resignation of a leading banker from this group after only five months was enough to trigger a liquidity crisis there. But "it very soon became apparent that some more sophisticated depositors in the money markets were taking fright at their potential exposure to any such institution."

The Bank thus found itself confronted with the imminent collapse of several deposit-taking institutions and with "the clear danger of a rapidly escalating crisis of confidence." This could involve external confidence even in the major banks and "the problem was to avoid a widening circle of collapse through the contagion of fear."

As a result of their experiences with the Overend Gurney crash of 1866, the Baring crisis of 1890 and the prolonged international crisis of 1929-33, the Bank, and the world at large, "had come to regard the taking of prompt and decisive action to prevent a spreading loss of confidence as one of the essential roles of a central bank."

In the closing weeks of 1973, the Bank therefore felt it essential to mount a rescue operation for the fringe in order to avoid a threat to some recognised banks. The action taken was the establishment of the control committee of the English and Scottish clearing banks and the Bank, chaired by the deputy governor, which first met on December 28, 1973.

The committee set down simple criteria for providing support, including that the company concerned was likely to remain solvent if helped over its liquidity crisis. It was expected that the majority of the situations could be solved by r cycling the lost deposits unt confidence was re-establishe but it was common ground th no support would be given the position already appeare unviable.

The Bank's share in the lif boat was 10 per cent., and le ing was, as a matter of princip at commercial rates, typical 1½-2 per cent. over interba rates. The system was ful established by the end of Jan ary 1974. But the crisis we through three major stages development, the Bank stated.

FIRST, from November, 19 to March, 1974, was regard primarily as a recycling ope tion. A total of 21 institutio were considered to require su port, or four-fifths of the tot number eventually approved f support. Of these, 16 we section 123 companies and tw were section 127 banks. By th end of March the amount a vanced under the lifeboat w just under £400m.

SECOND phase: from March December, 1974. It becar apparent that the problem w more complicated. The collap of property values and of th Stern group made it graduall apparent that the problem w becoming one of solvenc rather than liquidity.

The Bank took on ext obligations and, after the fir half of 1974, the amount of su port began to rise sharply. Fir National Finance Corporatio and United Dominions Tru came to rely heavily on suppo funds.

By August the total suppo committed approached £1.2b about 40 per cent. of the est mated aggregate capital an reserves of the clearing banks and they decided that they woul go no further.

The Bank's decision to unde take risks on its own was co ditioned partly by growing inte national worries, with the He statt collapse, the Israel-Britis Bank failure and the Lloyd Bank losses in Lugano. It wa at this point that the Bank too on additional support. In th nine months from April 1 October, 1974, four more instit tions required support, three o them authorised banks.

THIRD phase: from Januar 1975 onwards, there wer further specific blows to con fidence, in addition to th worries about the effects o growing oil surpluses on th international banking system.

Concern over the internationa implications involved provide the background to the Bank taking on support operations ou side the lifeboat. Two of the were particularly importan Slater Walker and Edward Bate

Both of these were part o sizeable groups with sensitiv external ramifications, the Ban told the Wilson committee. I these cases, the Bank has take on responsibility as the owne of Slater Walker Limited and o a newly-formed realisation com pany to realise the remainin assets on the Bates group.

These two special situation are described in more detail i special appendices to the Bank' evidence.

THE LIFEBOAT

Companies receiving support: The control committee approved support of varying degrees for 26 companies, of which 18 were institutions with section 123 certificates and five were either authorised banks or section 127 banks. Of these 26 companies, 18 are still trading, either in their original form or after reconstruction or absorption into other companies. Of this group of 18 companies, only four are still relying on re-cycled funds through the committee's operation, of which two account for by far the major share. There were eight companies which, having been in receipt of support from the committee in one form or other, subsequently were placed in receivership or liquidation.

	Date of placing in receivership or liquidation
David Samuel Trust	May 1974
Guardian Property	June 1974
Cannon Street Acceptances	Sept. 1974
Triumph Investment	Nov. 1974
First Maryland	Jan. 1975
Burston Finance	Feb. 1975
London and County Securities*	Mar. 1975
Audley Holdings	May 1975

*Following a Dept. of Trade investigation.

TOTAL AMOUNT OF LIFEBOAT SUPPORT AT SHARED RISK* OUTSTANDING AT END QUARTERS

End-quarter	£m.
March 1974	390.2
June 1974	443.4
September 1974	994.3
December 1974	1,181.7
March 1975	1,173.4
June 1975	1,148.5
September 1975	949.9
December 1975	913.5
March 1976	876.1
June 1976	827.2
September 1976	774.5
December 1976	782.7
March 1977	752.1
June 1977	731.7
September 1977	713.8
December 1977	676.5
March 1978	656.5

* Excluding additional help provided by the Bank of England at its own sole risk.

Delta confident about new Gatwick flight

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

DELTA Air Lines of the U.S., which started daily non-stop flights between Atlanta (Georgia) and Gatwick on Monday, expects to earn profits on this new route in the next year.

Mr. David C. Garrett Jnr., president of the airline, said in London yesterday advance bookings were already running at more than 50 per cent. of capacity. Delta expected to be carrying full loads by midsummer. About 50 per cent. of the bookings were businessmen. The rest were tourist and other leisure traffic.

The airline intends to place considerable emphasis on attracting more business traffic, in view of Atlanta's booming economy, which is closely involved with the oil industry, aerospace manufacturing, electronics and banking.

Mr. Garrett said Delta was studying the new types of jet airliner being offered by the big U.S. manufacturers—notably the Boeing 767 "big twin" and 777 tri-jet, the Lockheed Series 400 version of the TriStar, and the McDonnell Douglas DC-X-200.

Delta was not studying the European Airbus, either in its current B-2 and B-4 versions, or in the proposed 200-seat B-10 version. Its interest was primarily in U.S.-built aircraft, although its experience with the Rolls-Royce RB-211 engines in its fleet of Lockheed TriStars had been so good that it was studying the possibility of RB-211s in any new aircraft it bought.

Mr. Garrett said Delta would expect to decide on a new 200-seater aircraft late this year. It was also interested in the smaller 140-passenger Boeing 757 twin-engined jet, but a decision on this would probably not be made until next year.

Mr. Garrett said Delta was happy to use Gatwick Airport, rather than the congested Heathrow. Delta had found most of its passengers tended to stay in the U.K. for a few days before moving on elsewhere, and so its need for direct connections to other cities was comparatively small.

He was critical of current fares policies, both on the North Atlantic and in the U.S. "Some of them do not have any logic." Delta was obliged to offer 83 different fares throughout its network, with 18 different fares on the North Atlantic.

● World Airways of the U.S., a major charter operator, has asked the Civil Aeronautics Board for approval to run cheap, no-frills scheduled services between Amsterdam and six U.S. cities—Baltimore, Chicago, Detroit, Los Angeles, Newark (New Jersey) and Oakland (California). Fares would range from $150 single (to Baltimore) to $210 (to Los Angeles and Oakland).

● British Airways yesterday began flights on its new route to San Francisco, awarded to it under the recent Anglo-U.S. bilateral air talks. BA will fly daily non-stop services on the route, using Boeing 747 Jumbo jets.

Newall Group merged with Elliott

By Michael Cassell

THE NEWALL Machine Tool Group, which was acquired by B. Elliott in July last year for £2.4m., has been merged with Elliott's machine tool manufacturing division.

The newly integrated division will have a combined output of £25m. a year and now has orders worth £15m. on its books.

A statement from Elliott yesterday said that the intake of new orders in recent months had been "particularly encouraging" and £3m. had been allocated to the new division for further improvements and additions to its product resources.

Newall manufactures high precision grinding machines and jig borers, widely used in the automotive industries, and has established for itself a strong pattern of overseas sales.

The company's products are regarded as complementary to the Elliott range and the merger was designed to establish a more widely based machine tool and engineering group.

In December 1977, Elliott reported pre-tax profits for the half-year to September of £2.02m., including a post-acquisition contribution of £258,000 from the Newall Group.

The newly strengthened machine tool manufacturing division will be chaired by Mr. B. L. Bailey, who has resigned as managing director of Butler Machine Tool, another subsidiary company within the division. He will be succeeded by Mr. D. A. Rolinson while Mr. D. R. Price, chief executive of the main works of Newalls, Peterborough, will become managing director of Elliott Machine Tools.

Co-operative Insurance to raise motor rates

BY ERIC SHORT

THE CO-OPERATIVE Insurance Society, the third largest motor insurer in Britain with nearly 700,000 private motorists on its books, is raising its private motor insurance premiums from July 1 by an average of 8 per cent.

This news comes only a few days after the society announced a profit of £3.5m. on its motor account for 1977, following a profit of £1.6m. in 1976. As a co-operative, it has no shareholders to whom to pass the benefit, so it is introducing from July 1 the payment of a 5 per cent bonus to motor policyholders who have been insured with the society for three consecutive years.

The bonus will take the form of a reduction in the next annual premium.

Thus, for the longer-serving policyholder, the premium increase from July 1 will be relatively small, especially compared with increases being made by other motor companies.

For example, the present typical premium for an experienced driver of a Marina or Escort living in a country area and qualifying for full no-claims discount is £51.30, which will be increased to £55.70 from July 1. But the bonus will bring down the new premium to £52.50—a net rise of £1.20.

The society last increased its motor rates on April 1, 1977 by 14 per cent. Thus it has managed to hold them steady for more than a year, the first time that it has been able to do this for 10 years.

Scotland can earn £500m. from tourists

SCOTLAND expects to earn £500m from tourism this year, Mr. Robin MacLellan, chairman of the Scottish Tourist Board, said yesterday.

"Tourism is of vital importance to the economy of Scotland. Overseas visitors are terribly important. Although only 8 per cent. of our visitors come from overseas, they spend 32 per cent. of the money.

"Domestic tourism is growing, but it is not growing as fast as tourism from overseas. There are fewer Scottish holidays being taken."

Mr. MacLellan, who was announcing details of a Historic Houses Festival from May 19 to June 11, warned that Scotland would need to fight for its extra visitors from overseas.

It was important to give value for money because a German for instance could have a holiday in Kenya for the same price as a week in Scotland.

A week in Scotland with full board in a first-class hotel and the use of a rented car would cost a German visitor £342. A week in Kenya, including the flight and full board in a de-luxe hotel, would cost £346.

MPs blamed over power supply

BY ROY HODSON

PARLIAMENT'S RECORD of attempts to reorganise the electricity supply industry was "an unhappy one," said Sir Francis Tombs, chairman of the Electricity Council, yesterday.

He recalled, at the Institute of Fuel's annual lunch in London, that the present organisation of the industry had followed a report in the 1950s, and that all further attempted reforms had failed.

Parliament's record "established beyond doubt its failure to shoulder the responsibility imposed by public ownership," said Sir Francis.

The recent Bill for reorganising the industry had been killed when the Liberal Parliamentary Party refused to support it.

See Page 12

Construction work rise unlikely to top 1973 peak

BY OUR BUILDING CORRESPONDENT

ALTHOUGH construction industry output is going up, work levels by the mid-1980s will still be 15-20 per cent. below the 1973 peak, according to stockbrokers J. and A. Scrimgeour.

In a report on prospects for the construction sector, Scrimgeour points to a modest revival in the industry's fortunes after one of the most prolonged recessions on record.

The report—which predicts that output in the mid-1980s may only be 10 per cent. up on last year's poor performance—says there is a temptation to assume that because work is rising again, demand could return to earlier levels.

But Scrimgeour says that the industry cannot expect to experience again "the demands faced during the early 1960s when it had to cope with big house and school building programmes, the formation of a national motorway network and, later, high investment programmes in the energy industries.

Scrimgeours expect the constant (1970) price value of total housing output to reach £1.27bn. by 1985, compared to £1.15bn. last year. Non-housing work is estimated to be valued at £2.14bn. by 1985 against £1.92bn. last year. At £3.41bn., total new work by 1985 will compare with a figure of £3.08bn. in 1977.

Taxable profits show 15% increase in April

TAXABLE profits of the 136 industrial companies which issued full reports during April showed an increase of 15.6 per cent. on the previous year.

This was much in line with the average increase recorded in reports received during the first three months of the year when the sequence of gains was 22.8, 15.6 and 12 per cent. respectively.

Profit rises of between 14 and 25 per cent. were recorded by United Biscuits, Bowater, Albright and Wilson and BTR. All four companies were among the half-dozen or so which had shown 50 per cent. plus gains the previous year.

In their company then were Ocean Transport, lagging this year with a short-fall of 9 per cent. on their comparable figure, and BSR, down a sad-looking 31 per cent.

Dividend costs overall jumped by a substantial 26.6 per cent., the biggest such rise since February of last year. Last month's average in this respect was pushed up by United Biscuits, BTR, Ladbroke and Hepworth Ceramic.

Change on First National Board

BY MARGARET REID

ONE CLEARING bank official seconded from his bank has just taken over from another on the Board of First Natonal Finance Corporation, which suffered heavily in the secondary banking crisis and is one of the two largest borrowers from the big banks' lifeboat.

Mr. Geoffrey Birch has left the First National Board after two years with the company to return to the Midland Bank. His place is being taken by Mr. Derek Rutter, formerly a director of Barclays Merchant Bank, who has been seconded from Barclays Bank for two years and has become an executive director of First National.

First National was built up by Mr. Pat Matthews, who left the Board two years ago. The chief executive is now Mr. Stuart Dyer who came from Lloyds Bank a year ago to succeed another senior clearing banker, Mr. Maurice Denton, of the National Westminser Bank. Mr. Denton was brought in by the big banks and the Bank of England in May 1975 for a two-year stint in the top management role.

First National made such large provisions — £140m. — and incurred such heavy losses in the course of the secondary banking crisis and its aftermath that it had a £76m. net deficiency at the end of its last financial year on October 31, 1977. Its support loans from the lifeboat committee are about £285m.

In the second half of 1976-77, however, it managed to make a pre-tax profit of £2.6m., although there was a loss of £4.9m. for the year. Mr. Dyer said yesterday that the rather better trend was continuing, adding: "We've been able to work reasonably well so far this year."

The seriousness of First National's problems was, however, underlined by Mr. John Glyn, the chairman, at the recent annual meeting when he said: "The company still has an extremely formidable task in building up sufficient profits to cover the £76m. deficit.

Stricter ethical rules urged for accountants

FINANCIAL TIMES REPORTER

STRICTER ETHICAL rules for accountants are urged by the Labour Economic Finance and Taxation Association in its response to the Institute of Chartered Accountants paper on professional independence.

The association says that probably the greatest weakness in the institute's proposals is the omission of any firm proposal dealing with the question of whether the auditor should be allowed to carry out other work for the client.

It says the auditor should not be allowed to carry out additional work for the client, and this should extend to taxation work, accounting work, management consultancy and any work for the directors and senior officials of the company in their personal capacity.

EUROPEAN OPTIONS EXCHANGE

Option	Price	July Close	July Vol.	Oct. Close	Oct. Vol.	Jan. Close	Jan. Vol.	Equity close
E. Kodak	$40	13⅞	3	14⅜	1	15½	—	$53⅜
E. Kodak	$45	9½	—	9⅝	29	11	—	..
E. Kodak	$50	5½	60	7	37	8	20	..
E. Kodak	$60	1¼	23	3	63	3⅞	39	..
GM	$50	15¾	—	15⅞	—	16¼	—	$64½
GM	$60	5½	—	6¼	5	6¼	—	..
GM	$70	⅛	50	1⅛	—	1⅛	4	..
IBM	$240	28	—	29½	4	31¼	—	$266⅝
IBM	$260	11¼	28	16	13	18	--	..
IBM	$280	4⅝	34	6⅝	8	9⅞	35	..
Algemene	F330	18	5	21	—	25	—	F341
Algemene	F340	13	10	11	1	18	15	..
Amro	F70	7	2	9	—	11.50	—	F74.90
Amro	F75	3	2	5	—	7.50	—	..
Nat Ned	F100	10	—	11.50	—	17	—	F106.40
Nat Ned	F110	3	—	6.00	—	8	—	..
Philips	F22.50	3.20	—	3.70	--	4.20	10	F25.30
Philips	F25.00	1.20	—	1.80	10	2.50	40	..
Philips	F27.50	0.40	—	0.70	13	1.40	3	..
R. D. Shell	F120	9.70	13	9.50	7	10.00	10	F128.60
R. D. Shell	F130	2.00	9	3.70	19	3.90	24	..
R. D. Shell	F140	0.30	—	1.20	—	2.00	24	..
Unilever	F110	8.00	—	7.80	7	8.60	—	F116.30
Unilever	F120	1.20	5	2.30	4	3.00	—	..
Unilever	F130	0.50	—	0.70	—	1.90	2	..
		May		August		November		
BP	700p	—	—	—	—	—	—	800p
BP	750p	—	—	—	—	—	—	..
BP	800p	—	—	—	—	—	—	..
GEC	200p	—	—	—	—	—	—	244p
GEC	225p	—	—	—	—	—	—	..
GEC	250p	—	—	—	—	—	—	..
GEC	275p	—	—	—	—	—	—	..
ICI	300p	—	—	—	—	—	—	341p
ICI	325p	—	—	—	—	—	—	..
ICI	350p	—	—	—	—	—	—	..
ICI	375p	—	—	—	—	—	—	..

HOME CONTRACTS

Coal Board spends £25m. on belting

CONTRACTS WITH an estimated value of £25,523,000 have been let by the National Coal Board. Fire resistant conveyor belting, from this month to April 30, 1979, costing £24,419,000, will be supplied by: BTR Belting, Dunlop, Greengate Industrial Polymers, TEA Industrial Products, Scandura, and J. H. Fenner and Co.

Rubber conveyor belting, for the same period to a value of £1,104,000 will be supplied by: Uniroyal, Goodyear Tyre and Rubber Co., Greengate Industrial Polymers, and BTR Belting.

*

NEWELL DUNFORD ENGINEERING has won orders worth more than £4.5m. for the Tollemache and Watford range of resource recovery equipment. One of the largest orders was from Merseyside County Council, to supply a complete turn-key refuse pulverisation plant. Newell Dunford will be the main contractors in this venture and be responsible for the design and direction of the buildings and civil works in addition to supplying all the mechanical equipment.

*

As part of its foundry modernisation programme, Platt Saco Lowell has awarded the industrial division of BRITISH BROWN-BOVERI a turnkey contract for the design, manufacture and installation of a melting shop at Bradley Fold Iron Foundry. Valued at over £1m., the contract covers melting and holding furnaces, charge handling equipment, and building work which will house the development. The plant is scheduled to be operational by May, 1979. Output will be 230 tonnes of grey iron a week.

*

A. ROBERTS AND COMPANY has recently been awarded three contracts. The largest, worth over £1m., is in Wembley—84 homes and ancillary work for the London Borough of Brent, due for completion early in 1980. Two other London contracts are worth a total of £464,000.

*

Booth Mechanical Services, the specialist building services division of the ALFRED BOOTH GROUP, this year has secured work totalling over £250,000. Largest contract is for Liverpool Corporation plumbing services valued at £105,000.

*

A £60,000 order for specialised sack filling equipment for PVC powder at BP Chemicals' plant in South Glamorgan has been won by WEBSTER GRIFFIN, Tunbridge Wells. The plant, which is at Barry, will not become fully operational until later this year.

*

TARMAC CONSTRUCTION has been awarded a £700,000 contract for more work on the North Loop line of the Tyneside Metro scheme. Engineers have started to facelift four stations on the Benton-Backworth line, build a new station at Shiremoor and carry out civil engineering work.

Westminster drive to save tin mine

BY PAUL CHEESERIGHT

IE LAST attempts to keep open e Wheal Jane tin mine in Corn-ll take place at Westminster day. The mine is liable to urt flooding in two days.

Mr. Alan Williams, Minister of ate for Industry, will meet Mr. ter Tress and a team from Con-lidated Gold Fields, the owners the mine, to explore the possi-lity of a financial arrangement hich would allow it to continue rking.

More than 400 miners from heal Jane will arrive at the mmons this afternoon to lobby Ps and Ministers.

Gold Fields announced the osure of Wheal Jane last week, ter a decision by Cornwall Tin d Mining to stop operations at e Mount Wellington tin mine. e two mines face each other ross the Carnon Valley, near uro.

Both mines have been affected large volumes of water seep-g through the workings. If e stops pumping the other is ble to flood. The Mount ellington pumps are due to op on Friday.

Gold Fields, which has been sing money at Wheal Jane, ere less tin has proved avail-le than was expected, has been luctant to bear the costs of stalling expensive new pumps paying for the Mount Welling-n pumps to keep working.

Mr. David Mudd, Conservative M.P. for Falmouth and Camborne, suggested to the Department of Industry last week-end that the Government should take over the Mount Wellington pumps, paying for them by writing off the financial assistance of £1.8m. given to the mine.

When Mr. Williams meets the Gold Fields team he will have before him a memorandum from Mr. David Penhaligon, Liberal M.P. for Truro, arguing that £650,000 worth of aid should be granted to the company.

This would cover the capital cost of installing equipment to plug the areas where water seeps through and a new pumping machine. Mr. Penhaligon regards this as a cheap price for saving more than 400 jobs.

Gold Fields said it was prepared to discuss any proposal, but warned that time was short.

Reaction

Any deal worked out at the meeting to safeguard the mine's future in the short term is likely to embrace the offer of the miners to forego a 10 per cent. wage rise this year. The company might receive temporary employment subsidies.

The reaction of the miners to the closure has been a major factor in inducing Gold Fields to continue talking about keeping the mine open.

Mr. Harry Stevens, Transport and General Workers Union secretary at Falmouth, said yesterday that the situation was untenable. "We have unemployment figures here of 15 per cent. to 16 per cent. We put 1,000 people on to that and its a disaster."

● More disruption is likely to-day for English China Clay, whose Cornwall operations have been badly hit by a dispute over a pay claim.

Yesterday maintenance men at the company's main transport depot at Par, on the outskirts of St. Austell, joined drivers in a stoppage which started on Friday, bringing the total of men out to 285. The men said on Friday that more than 200 had been sacked and told to collect their money that afternoon.

The 110 dock workers at the ports of Fowey and Par, which are both controlled by the company, and nearly 700 of the 2,500 men employed in the production of china clay, were also out.

Yesterday the transport workers sent a six-point resolution to the management, including a demand that a driver who took a lorry through the picket line at the Par depot on Friday should be "removed."

The dispute has produced the worst disruption in the Cornish china clay industry since the lock-out in 1913.

Shell terminals pay talks go on

BY PHILIP BASSETT, LABOUR STAFF

TALKS to end a strike over pay by white-collar workers at Shell oil terminals will be resumed on Friday.

The inter-union talks were held in London yesterday as supplies of Shell oil and petrol in certain areas of the country worsened.

A meeting of the joint union national delegate council of the Association of Scientific, Technical and Managerial Staffs and the white-collar section of the transport workers' union, failed to find a formula to end the dispute.

Six hundred white-collar workers at 46 oil terminals throughout the country were called out on strike nearly two weeks go.

Shell offered a 14.5 per cent. package deal, with everyone receiving a 10 per cent. increase in basic pay within Government wage guidelines and at least 2 per cent. for productivity. The unions rejected the deal, claiming that Shell had been much more generous in pay offers to other groups of workers.

Shell and the two unions involved claimed conflicting responses to the strike call. Shell said that most of the terminals were working normally, but Mr. Peter Kennedy, the association's divisional officer in Manchester, said after the talks that 75 per cent. of staff was on strike.

Supplied of Shell oil and petrol in Greater Manchester, Hertfordshire and Cambridgeshire have been badly affected by the closure of Barton terminal, Manchester, and Buncefield terminal, Hemel Hempstead.

Greater effectiveness of the strike rests on the attitude of the tanker drivers. At Buncefield they have refused to cross picket lines, but the few complete closures of terminals has persuaded many other drivers around the country to work normally.

Talks bid to reduce hospital disputes

By Nick Garnett, Labour Staff

HEALTH UNIONS, the British Medical Association and officials of the Department of Health and Social Security are expected to meet next month for talks aimed at minimising the effects of industrial disputes on hospital patients.

A preliminary meeting last week, chaired by Mr. David Ennals, Social Services Secretary, discussed proposals for improving hospitals' dispute machinery.

A joint union-health department statement of intent on the health service planned for July, the 30th anniversary of the service, could include changes in grievance procedures designed to curtail the number of disputes.

A committee, for which Mr. Peter Jacques, a TUC official, is acting as secretary is studying ways of overhauling the procedures.

The talks follow a number of hospital disputes, including one at Dulwich hospital, London, which closed operating theatres, and after more than a year of pressure from the BMA.

The unions and the BMA are also looking at the possibility of setting up hospital-based committees to define groups of patients that would be exempted from the effects of any form of industrial action. These could include geriatric patients and those in intensive care.

Journalist 'tried to frighten paper'

MR. C. GORDON TETHER, the Financial Times journalist dismissed after a long dispute about the control by Mr. Fredy Fisher, the editor, over his daily column, hoped to frighten the newspaper by publicising the dispute outside, Mr. Thomas Morison, counsel for the Financial Times, alleged yesterday.

Mr. Morison was questioning Mr. Tether, who wrote the Lombard column in the Financial Times for 21 years on the 34th day of Mr. Tether's claim for unfair dismissal. The case, which started a year ago yesterday before an industrial tribunal, is believed to be the longest running in the tribunal's history.

Mr. Tether, 64, of Worplesdon, Surrey, seeks re-instatement and compensation. He was dismissed 19 months ago. Articles said to have been "banned" by Mr. Fisher were published during the dispute in The Spectator and the Evening Standard.

Mr. Morison asked Mr. Tether about a letter he wrote in January 1975 to Mr. Anthony Wedgwood Benn in which he said he was on a collision course with Mr. Fisher and that he was convinced that the outcome of the "battle" would depend very largely on how much interest was taken outside the Financial Times.

Directive

Mr. Tether replied that shortly before the end of 1974 Mr. Fisher sent a note to him saying that if he wrote any more articles outside his directive confining his column to certain subjects he would be in breach of contract.

He fully intended to write articles outside the directive so they were on a collision course in that sense. It did not follow that he was determined to provoke Mr. Fisher into dismissing him. "If you are on a collision course with someone, eventually someone, hopefully, is going to avoid the collision. It was open to Mr. Fisher to do so.'

Mr. Morison said that he also made reference in the letter to Mr. Benn to the fact that by publicising the fight he would be putting his head on the block. He knew perfectly well he was bringing about the risk of dismissal.

Mr. Tether denied this and added that he was fighting to preserve his column and his job and had to run some risks. But the full purpose was to stay at the Financial Times.

Mr. Morison said: "You had determined you were going to make life as difficult as possible for the Financial Times and by publicising your position you hoped they would be too frightened to get rid of you."

Mr. Tether disagreed and said that publicising his position was an attempt at some kind of defence. The editor's directive had been "thrown" at him and he had gone to his union (the National Union of Journalists) to seek a solution

Later, Mr. Tether demurred when Mr. Morison pressed him to say whether it was his case that it was permissible for the editor to give him the directive if he had reasonable grounds for doing so.

Inference

Mr. William Wells, Q.C., tribunal chairman, intervened to warn Mr. Tether that if he did not answer it was likely that the tribunal would draw a very unfavourable inference. He was being asked quite simply what was in his mind when he "threw the gloves down" to the editor after his directive.

Mr. Tether said he would answer but under protest. The editor did not have the right to introduce his directive and did not have reasonable grounds. And those grounds had to be proved to be reasonable to the satisfaction of a proper authority. That was why he went to the NUJ disputes procedure.

Mr. Wells commented that the best he could make of that answer was that Mr. Tether was admitting by implication that if there were reasonable grounds Mr. Fisher had the right to issue his directive.

Mr. Morison asked Mr. Tether whether it was his case that he was employed as an independent journalist or whether he was employed as the writer of an independent column.

Mr. Tether said he was employed as an independent journalist writing the Lombard column. He made it clear he wanted to write an independent column and that had been accepted by the then editor.

Mr. Morison asked who was the arbiter of whether an editor was acting reasonably or not on the night of publication when deciding that an article should not be published.

Mr. Tether replied that his reasonableness must pass some other test. Otherwise he could be totally unreasonable all the time, perpetrating under the guise of reasonableness all kinds of unsatisfactory activities.

Mr. Morison asked Mr. Tether whether he knew of any other journalist in Fleet Street with the rights he was claiming he had, and would he name him.

Mr. Tether replied that he thought James Cameron certainly had those rights and there were other journalists who had terms of employment similar to his own.

The hearing was adjourned until to-day.

Sunday opening campaign warning to shop workers

IOP WORKERS were told yes-rday that they face another ncerted and organised cam-ign to have Sunday trading galised.

The warning came from Mr. hn Phillips, assistant general cretary of the Union of Shop, stributive and Allied Workers, hich has 440,000 members in e retail and distributive indus-ies.

At the union's annual confer-ce in Blackpool he forecast a mpaign shortly for the opening all shops on Sundays.

The Consumers' Association as dedicated to removing all strictions on Sunday trading. e National Chamber of Trade as discussing the issue soon and e Tory Party wanted more eedom for traders, he said.

The Association of Metro-olitan Authorities is also press-g for changes in the law to permit local authorities to allow certain types of shops to open.

Mr. Phillips said the pressures were likely to culminate in a sponsored Bill in the House of Commons, and he asked delegates to be ready to renew their fight against Sunday trading.

The real issue of seven-day trading was whether employees wanted "brass or leisure," he said.

A plea for the traditional week-end off to be protected so that people could maintain family life and go to church was made by Mr. Ronald Graham, of Leicester Area Co-op branch, whose resolution, deploring Sunday opening was carried unanimously.

The conference called for shops to be closed for Christmas this year on December 25, 26 and 27, and on New Year's day.

Bid to settle recognition dispute

The Central Arbitration Committee will meet in Newcastle-upon-Tyne to-day to settle a row over union recognition at the Commodore Business Machines factory in Eaglescliffe, Cleveland.

Early last year the Advisory Conciliation and Arbitration Service ruled that the electricians' union should represent the 200 workers at the factory, which makes electronic calculators. The American-owned company has refused to accept the ruling, and at one time threatened to leave Britain if it was forced to accept trades unions.

During the ACAS investigation CBM refused to let officials into the factory to survey the workforce.

The union has applied under Section 16 of the Employment Protection Act because CBM has failed to implement the ACAS ruling.

Union meets Thomson in newspapers dispute

BY PAULINE CLARK, LABOUR STAFF

PROPOSALS were drawn up last night in a bid to settle an official strike by more than 200 provincial journalists employed by Thomson Regional Newspapers. After talks between the National Union of Journalists and management the proposals, aimed at ending a dispute over productivity pay, are to be studied by the union.

The union delegation, led by Mr. Ken Ashton, general secretary, is believed to have raised the question of the dismissal at the week-end of 310 journalists in Cardiff, Middlesbrough and Reading.

An emergency committee of the union ordered a strike by Thomson journalists in Merthyr Tydfil and Newcastle from yesterday. But management claims that this should make little difference to the group's newspapers as the journalists had not been working during prolonged mandatory chapel meetings last week.

The dispute came to a head early last week when 77 Thomson journalists in Hemel Hempstead were dismissed for working to rule in the productivity payment dispute. The issue has caused trouble on other papers in the group where management has refused to meet local demands for payments said to be outside Government pay guidelines.

● The dispute over new technology, which stopped the Liverpool Daily Post and Liverpool Echo for a week was settled last night. A self-financing productivity deal has been agreed.

New pay pact 'will not work'

A NEW agreement with the Government on pay just would not work, the Institution of Professional Civil Servants said yesterday. The institution, which has 100,000 members in management and professional grades, added that any attempt to clamp down on public sector pay as an example to private industry would cause violent and bitter reaction throughout public service unions.

The Civil Service Commissioners disclosed last week that they were having difficulty in recruiting in the grades covered by the institution because of low salaries.

A leading article in the institution's magazine said yesterday that even the most conscientious union leaders were finding it difficult to persuade members of the need for pay restraint.

Moves towards renewed restraint were being made in a pre-election atmosphere.

Workers may delay TV parts

ALMOST 2,000 workers, who are to lose their jobs when two television assembly plants close in the Bradford area, decided yesterday to hold back sets and parts unless Thorn Consumer Electronics offer better redundancy pay.

Representatives of the shop-floor workers, most of them women, estimated that about 40,000 sets could be withheld from the company, which will be asked to negotiate fresh redundancy terms.

The factories at Bradford and nearby Windhill are due to close in July. The action of the workers in withholding sets could jeopardise the company's offer of an ex-gratia payment for their co-operation in the running-down of the factories.

But Mr. Geoff Draper, shop stewards' convener, of the Amalgamated Union of Engineering Workers, said it was felt the terms were not satisfactory because workers could face months on the dole.

Three rows threaten Leyland

By Peter Cartwright

THREE OF Leyland Cars' most profitable models are threatened by separate disputes at Castle Bromwich, Birmingham, which supplies bodies and panels for the Mini, Rover and Jaguar ranges.

If attempts to have the disputes officially recognised by the Amalgamated Union of Engineering Workers are successful, pickets will be organised. If this happens, many of the 7,500 workers at Castle Bromwich could be laid off, and production disrupted at Longbridge (Mini), Solihull (Rover) and Coventry (Jaguar).

In the most sensitive dispute, 56 machine tool fitters went on strike on Friday over the appointment of a foreman from another department. They said he was not "suitably qualified."

A similar complaint is made by 16 plant maintenance workers over a new supervisor. They also struck on Friday.

The third dispute involves garage mechanics who have been out for a week over grading for work the company is said to be insisting must be carried out.

In all three disputes, negotiations have been to national level without a solution.

Redemption Notice

Hamersley Iron Finance N.V.

10% Guaranteed Debentures Due 1982

Unconditionally Guaranteed as to Principal and Interest by

HAMERSLEY HOLDINGS LIMITED

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of June 1, 1975 under which the above-described Debentures are issued, Citibank, N.A. (formerly First National City Bank), as Trustee, has selected for redemption on June 1, 1978 (the "Redemption Date") at the principal amount thereof (the "Redemption Price"), through the operation of the Sinking Fund provided for in the said Indenture, $1,400,000 principal amount of Debentures of the said issue of the following distinctive numbers:

COUPON DEBENTURES OF $1,000 PRINCIPAL AMOUNT OUTSTANDING

M17	2556	4986	7429	9073	10843	13182	15193	17117	19065	21333	23328	25598	27685	29447	31290	33310
38	2559	5033	7507	9076	10862	13218	15195	17124	19079	21355	23329	25617	27695	29473	31293	33337
47	2612	5054	7528	9083	10868	13232	15215	17134	19087	21357	23349	25644	27720	29514	31294	33347
146	2687	5190	7541	9108	10941	13251	15231	17140	19111	21363	23446	25688	27728	29563	31308	33385
227	2812	5205	7542	9127	10978	13301	15285	17154	19117	21388	23465	25727	27749	29596	31389	33398
265	2910	5236	7583	9163	11020	13339	15284	17179	19151	21405	23466	25732	27750	29628	31399	33416
272	2941	5280	7606	9183	11023	13351	15357	17188	19155	21422	23469	25778	27758	29630	31413	33475
292	2953	5302	7607	9238	11028	13367	15390	17230	19201	21426	23522	25793	27796	29654	31473	33493
315	2974	5322	7608	9239	11053	13453	15407	17238	19205	21455	23556	25825	27821	29705	31509	33494
403	2998	5339	7623	9240	11099	13509	15462	17243	19215	21484	23569	25833	27871	29706	31515	33539
404	3011	5356	7627	9247	11102	13510	15468	17251	19220	21497	23572	25871	27880	29738	31524	33565
420	3066	5368	7654	9262	11175	13531	15518	17258	19222	21540	23585	25888	27926	29773	31560	33598
438	3073	5378	7661	9325	11221	13564	15519	17286	19233	21565	23627	25925	27938	29778	31574	33633
453	3081	5382	7696	9378	11237	13571	15553	17342	19260	21596	23633	25966	28001	29789	31575	33643
469	3092	5393	7719	9441	11256	13662	15588	17360	19368	21649	23651	25975	28007	29813	31586	33691
[illegible]	3108	5410	7743	9444	11281	13693	15598	17381	19380	21673	23654	26013	28012	29821	31605	33741
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1081	3499	5992	8076	9847	11619	14294	16101	17770	19812	21997	24337	26478	28322	30159	32176	34181
1096	3506	6004	8089	9895	11850	14302	16104	17792	19826	22013	24342	26495	28325	30172	32260	34183
1206	3562	6011	8136	9897	11870	14345	16106	17793	19911	22060	24344	26516	28344	30180	32279	34188
1250	3580	6023	8167	9926	11920	14355	16107	17839	19919	22149	24389	26546	28372	30195	32305	34224
1289	3630	6090	8170	9930	11921	14356	16133	17844	19920	22160	24409	26550	28401	30196	32312	34225
1301	3659	6074	8191	9953	11927	14370	16154	17861	19936	22212	24413	26578	28440	30213	32320	34239
1311	3660	6082	8203	9981	11980	14372	16156	17893	19971	22261	24419	26589	28463	30227	32322	34241
1312	3668	6109	8219	9970	12021	14373	16157	17905	20050	22320	24427	26600	28480	30238	32330	34281
1352	3688	6130	8220	10070	12055	14374	16172	17928	20114	22330	24465	26603	28573	30239	32341	34300
1392	3700	6136	8253	10073	12074	14379	16223	17948	20158	22343	24487	26618	28609	30261	32381	34336
1405	3744	6152	8306	10081	12079	14441	16229	17953	20175	22347	24507	26641	28624	30280	32506	34394
1408	3777	6205	8362	10095	12091	14443	16232	17959	20221	22356	24529	26703	28643	30304	32521	34428
1416	3820	6219	8364	10100	12108	14447	16246	18017	20245	22373	24533	26733	28682	30319	32522	34434
1425	3839	6237	8368	10144	12118	14452	16332	18076	20246	22397	24581	26736	28740	30372	32562	34540
1557	3861	6381	8395	10174	12167	14457	16372	18102	20291	22425	24640	26787	28743	30377	32582	34550
1588	3867	6383	8398	10211	12200	14470	16386	18104	20317	22430	24650	26803	28765	30398	32610	34559
1628	3882	6320	8452	10243	12211	14472	16410	18173	20364	22440	24694	26805	28791	30403	32615	34589
1677	3924	6332	8461	10267	12221	14480	16433	18207	20396	22442	24713	26898	28798	30422	32648	34594
1678	3946	6346	8472	10268	12235	14532	16442	18238	20397	22461	24745	26927	28829	30448	32782	34599
1725	3962	6395	8479	10273	12236	14587	16499	18248	20399	22478	24754	26930	28840	30499	32784	34716
1736	4102	6401	8543	10284	12243	14620	16530	18254	20417	22480	24759	26936	28844	30505	32836	34738
1761	4106	6424	8562	10299	12275	14623	16531	18279	20419	22516	24775	26945	28869	30537	32840	34780
1824	4115	6439	8571	10303	12365	14643	16532	18307	20425	22525	24825	26979	28899	30557	32858	34783
1842	4123	6449	8583	10308	12377	14660	16623	18349	20428	22532	24867	27009	28909	30604	32860	34784
1956	4124	6497	8584	10344	12392	14706	16629	18360	20450	22565	24918	27103	28946	30692	32897	34812
1962	4135	6499	8645	10381	12408	14721	16715	18372	20462	22578	24924	27109	28965	30694	32908	34815
1965	4149	6503	8653	10437	12410	14748	16722	18410	20529	22671	24964	27156	29001	30718	32927	34816
1967	4167	6569	8708	10464	12421	14784	16728	18432	20596	22672	25014	27162	29021	30737	32933	34828
1994	4193	6608	8733	10470	12468	14813	16730	18479	20601	22724	25020	27183	29042	30765	32941	34829
1999	4198	6683	8786	10482	12489	14818	16734	18488	20677	22739	25042	27204	29054	30767	32944	34833
2000	4244	6731	8808	10495	12514	14839	16754	18532	20678	22831	25051	27252	29094	30850	32969	34836
2009	4262	6763	8810	10529	12588	14874	16756	18533	20702	22873	25068	27261	29110	30874	32989	34852
2015	4278	6864	8811	10534	12604	14939	16759	18542	20704	22876	25080	27281	29118	30875	33060	34883
2038	4279	6867	8849	10604	12682	14948	16767	18552	20707	22878	25112	27307	29128	30881	33067	34909
2051	4283	6875	8878	10630	12688	14964	16778	18583	20714	22972	25121	27311	29162	30909	33068	34952
2063	4286	6949	8879	10643	12725	14965	16795	18586	20785	22981	25138	27367	29169	30920	33071	34969
2072	4288	6962	8915	10656	12753	14973	16797	18587	20807	22989	25192	27371	29174	30921	33073	34973
2109	4323	6994	8916	10674	12769	14980	16807	18600	20859	23055	25203	27427	29177	30929	33080	34998
2195	4405	7004	8920	10693	12773	15005	16814	18604	20900	23068	25208	27428	29232	30962	33081	
2214	4527	7005	8921	10697	12889	15014	16816	18641	20970	23069	25213	27451	29241	30969	33096	
2304	4586	7065	8937	10702	12933	15023	16843	18649	21037	23086	25310	27499	29251	30974	33100	
2336	4608	7077	8947	10710	12942	15043	16853	18774	21051	23142	25362	27537	29273	30983	33102	
2352	4645	7103	8967	10737	13050	15046	16888	18795	21065	23168	25374	27572	29318	31153	33127	
2355	4691	7177	8969	10743	13065	15049	16892	18821	21092	23195	25377	27596	29400	31154	33178	
2414	4710	7189	8983	10758	13123	15052	16896	18856	21113	23210	25427	27601	29416	31156	33182	
2442	4724	7241	8991	10774	13150	15079	16970	18943	21156	23238	25470	27609	29417	31189	33262	
2451	4784	7291	8995	10805	13151	15081	17012	18959	21187	23247	25517	27642	29424	31171	33269	
2505	4825	7405	8998	10806	13158	15089	17035	18968	21272	23258	25530	27652	29425	31209	33278	
2513	4923	7412	9036	10825	13179	15152	17049	18981	21327	23283	25547	27682	29426	31281	33281	
2544	4934	7417	9064	10833	13181	15177	17059	18985								

The Debentures specified above are to be redeemed for the said Sinking Fund at the option of the holder (a) at the W.C.G. Corporate Bond Services Department of Citibank, N.A., Trustee under the Indenture referred to above, 111 Wall Street, 2nd Floor, New York, New York 10043 or (b) subject to any laws or regulations applicable thereto, at the main offices of Citibank, N.A. in Amsterdam, Frankfurt (Main), Geneva, London (Citibank House), Paris, Tokyo, and Citibank (Belgium) S.A. and the main office of Banque Generale du Luxembourg S.A. in Luxembourg, the Company's Paying Agents. Payment at the offices referred to in (b) above will be made by check drawn on, or transfer to a U.S. dollar account maintained by the Holder with a bank in The City of New York. On the Redemption Date such Debentures shall become due and payable at 100% of the principal amount thereof plus accrued interest on said principal amount to such date. On and after such date, interest on the said Debentures will cease to accrue.

The Debentures specified above should be presented and surrendered at the offices set forth in the preceding paragraph on the said date together with all interest coupons maturing subsequent to the Redemption Date. Coupons due June 1, 1978 should be detached and presented for payment in the usual manner.

For HAMERSLEY IRON FINANCE N.V.
By CITIBANK, N.A.
Trustee

May 1, 1978

BOND DRAWINGS

INTERNATIONAL UTILITIES OVERSEAS CAPITAL CORPORATION

5¼% Guaranteed Convertible Bonds 1986

S. G. WARBURG & CO. LTD., announce that the redemption instalment of U.S.$315,000 due 1st June, 1978 has been met by purchases in the market to the nominal value of U.S.$178,000 and by a drawing of Bonds to the nominal value of U.S.$137,000.

The distinctive numbers of the Bonds, drawn in the presence of a Notary Public, are as follows:—

254 to 258
341 to 343
422
567 568
828 to 833
695 to 704
1546 to 1549
278 279
350 to 354
451 to 460
572 573
641 to 644
956 957
290 291
375 to 379
478 to 483
575 to 577
646 to 650
1302 1303
295 to 303
392 to 400
487 to 500
580 581
657
1385 1468
337 338
419 421
551 to 555
624 to 626
659 to 662
1476 to 1480

On 1st June, 1978 there will become due and payable upon each Bond drawn for redemption, the principal amount thereof, together with accrued interest to said date at the office of:—

S. G. WARBURG & CO. LTD.,
30, Gresham Street, London, EC2P 2EB.,

or one of the other paying agents named on the Bonds.

Interest will cease to accrue on the Bonds called for redemption on and after 1st June, 1978 and Bonds so presented for payment must have attached all coupons maturing after that date.

U.S.$2,516,000 nominal amount of Bonds will remain outstanding after 1st June, 1978.

The following Bonds, drawn for redemption on 1st June, 1977 have not been presented for payment:—

18 28
165 to 167
11264 11299
11513 to 11532
80 to 85
178 179
11302 to 11304
11611 to 11630
113 to 116
197 253
11436 11438
11817 to 11826
128 to 130
11136 11137
11481 to 11485
11883 to 11885
147 to 151
11147 11263
11497 to 11510
11903

30, Gresham Street, London, EC2P 2EB.

3rd May, 1978

ELECTRICITY SUPPLY COMMISSION (ESCOM)
9½% 1970/1980 UA 12,000,000

On April 20, 1978, Bonds for the amount of UA 1,030,000 have been drawn for redemption in the presence of a Notary Public.

The Bonds will be reimbursed Coupon No. 9 and following attached on and after June 26, 1978.

The drawn debentures are those NOT YET PREVIOUSLY REDEEMED, included in the range beginning:
3022 to 6353 incl.
Amount purchased on the market:
UA 170,000
Amount outstanding: UA 2,400,000
Outstanding drawn Bonds:
1988, 1999, 2609 and 2610, 2634 and 2635, 2790, 2798, 2962, 3667 and 3668, 3702 and 3703, 3780 and 3781, 3783 and 3784, 3801, 3814, 3850, 3899 to 3901 incl., 3926 and 3927, 3933 to 3942 incl., 3957 to 3980 incl., 3993 to 3998 incl., 4125, 4152, 4162 to 4169 incl., 4253, 4409, 4437, 4466 to 4469 incl., 4480 and 4481, 4490 to 4493 incl., 4497 to 4500 incl., 4505, 4512 and 4513, 4568, 4569 to 4578 incl., 4582 to 4584 incl., 4598 and 4599, 4604 to 4606 incl., 4613 and 4614, 4618, 4622 to 4624 incl., 4626 and 4627, 4676 to 4681 incl., 4692 and 4693, 4696 to 4698 incl., 4718 and 4719, 4721, 11335 to 11338 incl.
Luxembourg, May 3, 1978.
The Trustee
FINIMTRUST S.A.
KREDIETBANK S.A. Luxembourgeoise

IRELAND 9¼% 1974/1984
UA 20,000,000

On April 20 1978, Bonds for the amount of UA 1,000,000 have been drawn for redemption in the presence of a Notary Public.

The Bonds will be reimbursed Coupon No. 5 and following attached on and after June 12, 1978.

The numbers of the drawn Bonds are as follows:
5249 to 6248 incl.
Amount outstanding: UA 15,000,000
Outstanding drawn Bonds:
18452 to 18480 incl., 18484 to 18488 incl., 18491 and 18492, 18500, 18588 and 18589, 18613 to 18615 incl., 18678 to 18683 incl., 18702, 18742 to 18781 incl., 18902 to 18911 incl., 18914 and 18915, 18984 and 18985, 19037 to 19042 incl., 19131 and 19132, 19216 to 19223 incl.
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LEGAL NOTICES

No. 001337 of 1978
and
No. 001338 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matters of No. 001337 of 1978, J. C. COWLEY TECHNICAL SERVICES LIMITED, No. 001338 of 1978, LEMONFIELD LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that Petitions for the Winding-up of the above-named Companies by the High Court of Justice were, on the 25th day of April 1978, presented to the said Court by the Commissioners of Customs and Excise of King's Beam House, 39-41 Mark Lane, London, EC3R 7HE, and that the said Petitions are directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 22nd day of May 1978, and any creditor or contributory of any of the said Companies desirous to support or oppose the making of an Order on any of the said Petitions may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of any of the said Companies requiring such copy on payment of the regulated charge for the same.

G. F. GLOAK,
King's Beam House,
39-41 Mark Lane,
London, EC3R 7HE
Solicitor for the Petitioners.

NOTE—Any person who intends to appear on the hearing of any of the said Petitions must serve on, or send by post to the above-named, notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their Solicitor (if any), and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than 4 o'clock in the afternoon of the 19th day of May 1978.

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London Transfer Secretaries:
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28th April, 1978.

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UNITIZATION PROPOSALS

The proposals for the unitization of International Pacific Securities Company, Limited ("IPSC") were approved by shareholders at the extraordinary general meeting of the company to-day.

Certificates for units in International Pacific Securities Trust will be posted to shareholders of IPSC on or about 29th May, 1978.

Q.P. CORPORATION

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS ("EDRS")

EDR holders are hereby informed that copies of the annual report and consolidated accounts of Q.P. Corporation for the year ended 30th November 1977 are now available at the offices of the Depositary, 20 Fenchurch Street, London EC3P 3DB and of the Agent, Banque Generale du Luxembourg S.A., 14 rue Aldringen, Luxembourg.

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3rd May, 1978.

COLONEL B PRIVILEGES MOTION APPROVED

Limits on reporting could fetter MPs, says Powell

BY IVOR OWEN, PARLIAMENTARY STAFF

LIMITATIONS on the freedom of the Press in reporting proceedings in Parliament will have the effect of limiting the privilege of MPs to say what they like in the House of Commons, Mr. Enoch Powell, (UU Down S.) warned last night.

In a powerful speech which won support from both sides of the House, he attacked the action of the Director of Public Prosecutions in warning newspapers that they might be held to be in contempt of court if they reported that Colonel B the army intelligence officer involved in a secrets case—had been named in the chamber by four Labour MPs.

"I cannot imagine a more direct assault upon the essential privileges of this House," said Mr. Powell.

A motion to refer the naming of Colonel B andt he application of the sub judice rule of the House to the proceedings in question to the Privileges Committee of the Commons was approved without a division.

Mr. Powell said it had been the privilege of the House of Commons from time immemorial that MPs could say things in the chamber which would lay the speaker open to proceedings if he said them elsewhere.

Without this privilege, the House of Commons would clearly be incapable of discharging its role on behalf of the nation or on behalf of individual constituents.

While acknowledging that the origin of Parliamentary privilege had been to protect MPs, Mr. Powell contended that in modern circumstances it was impossible to distinguish between the privilege of MPs speaking under privilege in the House and the right for what they said to be published.

A privilege which allowed MPs to say what they would in the House, but which did not extend to the publication of what they said outside would have little purpose in contemporary circumstances.

Mr. Powell argued that it must follow that immunity from proceedings for reports of anything said the House was an essential part of the privilege of the House of Commons which could not be infringed without infringing the privilege of the House of Commons itself.

Mr. Powell also asserted that nothing justified a distinction being made between Hansard, the official report which in its edition for April 20 published the name of Colonel B, as stated by the four Labour MPs, and other reports.

A threat of proceedings against the publication of what was said in the House was a "most high and manifest breach of the essential privilege of the House of Commons," which, if it were to become established, would gravely impair the value of the privilege of free speech enjoyed by MPs.

With respect to the Speaker, Mr. George Thomas, who subsequently ruled that the naming of Colonel B was a breach of the sub judice rule and should not have been permitted, Mr. Powell questioned whether such a breach had in fact occurred.

He could not see how for a Member of Parliament to make a statement which did not concern the merits whatsoever of the case in question could be a breach of the sub judice rule.

Mr. Powell roundly condemned a suggestion that the Speaker should be given authority to have remarks made by MPs and subsequently ruled out of order to be expunged from the record.

"I cannot think of anything that would be more dangerous to our approach to freedom of speech," he said.

Mr. Reginald Maudling (C., Chipping Barnet), who first suggested the erasure of disorderly statements, pointed out that whereas an accusation could be withdrawn, a disclosure such as that made in the case of Colonel B could not.

Mr. Powell replied that words said in the House under privilege should attract the same privilege when reported outside. "We cannot retrospectively unsay anything that has been said, contrary to the internal rules of the House."

Strong support for the views expressed by Mr. Powell came from **Mr. Alex Lyon** (Lab., York) who pointed out that it could have been said that the BBC or ITV, who broadcast the name of Colonel B, were in contempt of court.

Mr. Sam Silkin, Attorney General, had stated that he did not intend to proceed against them. But who could say that subsequent holders of his office would take a similar view in similar circumstances?

"It must be laid down that the courts cannot intervene," declared Mr. Lyon. He believed that the courts and Parliament were gradually moving towards a clash over where the line should be drawn in deciding who had responsibility for determining responsibility for the liberties of the people.

"I think it is absolutely right that the courts, within their proper sphere, should try to draw that line, but I think it is equally clear that within our own sphere, we should also know where to draw that line.

"I believe it is more important that we should know than the courts should know. We are, at any rate, accountable to the people because we are elected by them."

Mr. Michael Foot, Leader of the House, told MPs that a reference to the Committee of Privileges would be the fairest and most orderly way of dealing with all the issues involved in the Colonel B case.

This view was supported by **Mr. Francis Pym**, shadow Leader of the House.

Mr. Christopher Price (Lab., Lewisham W.), one of the four MPs who originally named Colonel B in the Commons, said that MPs quite deliberately did this outside the hours when the Commons was being broadcast live. This was to treat the radio stations in the same way as the newspapers.

Mr. Robert Kilroy-Silk (Lab., Ormskirk), another of those who had named Colonel B, agreed that if privilege was abused, it would be in danger, but added: "If it is anything at all, it is there to be used by MPs when they think fit."

He did not accept that he and his colleagues had abused their privilege. "We were perfectly entitled and property exercised our entitlement, to say what we said."

Miss Jo Richardson (Lab., Barking), third of the four MPs said she was "entirely unrepentant" for taking that action. "My action and that of my colleagues was not taken out of any irresponsible sense of mischief, which some newspapers have suggested.

"I wanted to try and expose the difficulties of journalists in reporting details of court cases which are of wide interest to the public, as well as this House of Commons," she said.

Miss Richardson said she felt deeply that something should be done to draw the attention of the House and public to the difficulty arising from the continued existence of the Official Secrets Acts.

Mr. Mark Carlisle (C. Runcorn) said he did not think it was ever intended that MPs should use "the cloak of privilege" to name people who, for whatever reason, had not been named in a court.

He thought it proper that the Committee of Privileges should decide whether MPs, by making use of privilege had, in fact, abused that privilege.

Mr. John Mendelson (Lab., Penistone), rejected any suggestion that the Committee of Privileges was being asked to consider an alleged offence by the four MPs or any other MP.

Some of those questions that cannot be answered . . .

BY RUPERT CORNWELL, LOBBY STAFF

AN UPDATED picture—albeit highly incomplete—is now beginning to emerge of the topics, sensitive and otherwise, on which Ministers refuse to answer questions tabled by MPs in the House of Commons.

The information, the first of its kind since 1972, is in response to a demand by Mr. Jeff Rooker the Left-wing Labour MP for Perry Bar. But he had to enlist the support of Mr. George Thomas, the Speaker, before his iniative succeeded.

The fullest data comes from the Department of Trade, where Mr. Edmund Dell, the Secretary of State, has come up with a proscribed list ranging from obvious matters like air security measures and information given by companies in commercial confidence to transactions between the Film Finance Corporation and its customers and "day-to-day matters for the English Tourist Board."

The Treasury, which like other Departments, points out that some subjects may be turned down because of the sheer cost of the work needed to give an answer, claims that, in general, questions are answered on their merits.

But Mr. Robert Sheldon, the Financial Secretary to the Treasury, told Mr. Rooker that anything of immediate market impact—such as an impending change in interest rates—would remain off limits. So would questions on the tax affairs of individuals and companies, and details of firms which had suffered under pay sanctions but which did not wish their names to be pubilshed.

At the Department of Industry, topics barred include issues of commercial confidence and information on financial aid to companies, as well as secret details on research contracts. Much the same criteria are used by the Departments of Energy and Prices.

LOCAL ELECTIONS: LIVERPOOL

Size of Liberal vote is key to ending political stalemate

BY RHYS DAVID

LIVERPOOL should provide the ideal test-case for those who support the ending in Britain of the two-party see-saw. For several years, no party has had an overall majority on the council. With one-third of the seats at stake, to-morrow, Labour and Liberals at present hold 41 each and the Conservatives, 17.

It is a situation, however, which has failed to produce either a government of all talents, or even coalition behind the most broadly acceptable proposals.

At a time when Liverpool, because of its pressing problems of unemployment and factory closures, has never been more in need of positive government, the city council has found itself involved in prolonged debates, constant reversals of policy and unable to reach agreement on important issues.

The Liberals, who reached parity with Labour in by-elections at the end of last year, are bitter with the Tories for refusing to support their policies as part of a common front against Labour, which remains in control of the council. The Liberals, who were themselves, in power from 1974-76, have tried to seize powe ron five occasions but have failed to win Tory support. This shows, the Liberals claim, that the Tories are more interested in restoring simple two-party politics than resisting Labour policies.

The Conservatives readily admit that their policy is to allow the biggest party on the council to control committees, and until the by-elections produced a tie, this happened to be Labour. On individual issues, the Conservatives claim their role has had to be that of a Solomon—giving support to proposals on their merit. In some cases, they claim, the Liberals are more extreme than the Labour Party and cannot be supported.

The Labour group has nevertheless had to endure the defeat of its recent budget proposals when Liberals and Conservatives did eventually combine behind a Liberal amendment restricting the proposed increase in rates to 6.5 per cent. instead of 14 per cent. New council house building has slumped to its lowest level for many years because of conflict between the parties over housing sales, and in education it has proved impossible to reach agreement on policy in the inner urban area.

The result is that the political parties in Liverpool are at least united on one point. They want the election to bring an end to the present stalemate. Whether it does so is likely to depend on what happens to the Liberal vote and on the importance attached by electors—roughly one-third of whom are likely to vote—to local as opposed to national issues.

The Liberals swept into their present strong position on the council in 1974 at a time of maximum disenchantment nationally with the Conservatives and, as a result, they are defending the largest number of seats—15, compared with 14 by Labour and four by the Tories. (Labour and Liberal are also each defending one other seat as a result of resignations by sitting members.)

The Tories, from their own private polls, believe national issues, such as the state of the economy and the Lib-Lab pact, are likely to loom as large as local issues. Their leader, Mr. Stan Airey, is expecting much of the vote lost in 1974 in middle-class areas to the Liberals to return on this occasion.

The Conservatives are basing their confidence, in part, on the hammering the Liberals have taken in the two most recent Parliamentary by-elections, but also on the trend apparent in county elections on Merseyside last year. In the same 33 wards now being fought, the Conservatives polled 64,000 votes, against 38,000 for Labour and 32,000 for the Liberals, enabling them to seize the upper tier council.

Voting in Liverpool has varied sufficiently from the national pattern, however, to make some caution over this analysis necessary. The grass-roots approach of the Liberals was pioneered in Liverpool, and the party has, in its leader, Mr. Trevor Jones, a powerful vote-gatherer, who has been willing to breach the time-honoured convention in local politics of not throwing too much mud.

Liberal propaganda makes much of council trips abroad, entertainment and other alleged frivolities. "We cleaned the chandeliers some years back and they are now raking that up in their literature," Stan Airey points out.

This forthright approach has clearly not done the Liberals too much harm in the past and the party is basing its hopes of regaining control on its showing in the past three council by-elections. It held on to one seat, reduced the Tory majority in another, and took one from Labour. Although its initial gains on the council were at the expense of the Tories, the Liberals have worried Labour with inroads into some hard-core Socialist areas near the city centre.

Despite this, the Labour leader on the council, Mr. John Hamilton, sees his party emerging from the election with roughly the same number of seats.

The Liberals have made an issue of law and order—a sign, according to Labour, that the party sees its main task as continuing to attract Tory voters.

Of the four other districts which make up Merseyside, both Sefton, the northern part of the county, which includes Southport, and Wirral, on the west bank of the Mersey, are held by the Conservatives and no change in control is expected.

Similarly, Labour can expect to retain control at Knowsley which includes the big Liverpool overspill housing area at Kirkby as well as the older suburbs of Huyton and Prescott.

The main prospect of change is at St Helens where Labour has 24 seats to the Conservatives' 20 and the Liberals 1. Conservatives are confident this area will be one of their gains.

● Mr. Alexander Tulloch, chairman of the Shetland Islands Council, is not retiring, as said in Saturday's feature on the regional elections in Scotland, but has been returned unopposed to the new council.

LEGAL NOTICES

No. [illegible] of 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of ROCHESTER SHOES LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 19th day of April 1978, presented to the said Court by ST. JOHN DAVID SANDERS of 191 Vale [illegible] Italy Importer and Exporter and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 15th day of May 1978, and any creditor or contributory of the said Company desirous to support or oppose the making of an order on the said Petition may appear at the time of hearing, in person or by his counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

R. DAVIS & CO.,
42 Brook Street,
London, W1Y 2ES.
Solicitors for the Petitioner.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any), and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 12th day of May, 1978.

No. 00122 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of CENTRAL MARKET BUYERS (COVENT GARDEN) LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 15th day of April, 1978 presented to the said Court by BALDWINS (a firm) Greengrocers of 40 Pancras Road, Kings Cross, London, NW1 2TB, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 15th day of May 1978, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

A. L. PHILIPS & CO.,
6, Holborn Viaduct,
London, EC1A 2AH.
Ref. MP Baldwins.
Tel. 01-236 7341
Solicitors for the Petitioner.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named, notice in writing of his intention so to do. The notice must state the name and address of the person or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any), and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 12th day of May, 1978.

Defence chief's phrasing faulted by Callaghan

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE Prime Minister and Mr. Fred Mulley, Defence Secretary, yesterday administered a mild rebuke to Sir Neil Cameron, the Chief of Defence Staff, over the controversial remarks which he made in China over the week-end.

But they firmly rejected demands from Left wing MPs that Sir Neil should be sacked because of his suggestion, made to officers of the sixth Chinese tank division, that the Soviet Union was the common enemy of China and Britain.

At the same time, the Prime Minister left the House in no doubt that it would be better if the Defence Chief stuck strictly to military matters in the future.

Perhaps, he suggested caustically, some of the remarks made by Sir Neil "might have been phrased a little differently."

For his part, Mr. Mulley criticised the Defence Chief for using the word "enemy" in relation to the Soviet Union and thought that this had led to "precisely the misunderstanding we have seen."

They indicated, however, that they have every confidence in Sir Neil and that no action will be taken against him for what Mr. Callaghan called his "unscripted and impromptu remarks."

In long and heated exchanges in the Commons, both the Prime Minister and Mr. Mulley fielded questions with great skill and went a long way towards defusing a potentially explosive situation.

Mr. Callaghan side-stepped demands from Mrs. Margaret Thatcher, leader of the Opposition, that he should give his full endorsement to the words used by Sir Neil and "sort out the pro-Soviet group" among Labour Left wingers.

The Prime Minister stressed that Sir Neil was certainly not voicing the official policy of the British Government and that his remarks made no difference to Britain's attempts to seek detente and disarmament with Russia.

Mr. Callaghan told the House: "In so far as he was speaking on military matters, he would have the support of the Government. In so far as he was speaking of political matters, it is for him to support the policy of the Government."

The formulation of British foreign policy was the responsibility of Ministers and Sir Neil's remarks should not be seen as expanding, modifying or changing in any way the relations between Britain and China or between Britain and the Soviet Union.

Mr. Mulley, answering a private notice question, said that he was quite satisfied that Sir Neil had no intention of changing Government defence or foreign policy and it did not diminish his confidence in him as chief military adviser.

There were jeers from the Conservatives as one of the leading Left wingers Mr. Norman Atkinson (Tottenham) conjured up visions of Nato generals plotting to encircle Russia. In view of this, he urged Mr. Mulley to refuse to sell British arms to China.

On this point, however, he got little satisfaction from the Defence Secretary who told him that arms requests from Peking would be considered "in the light of our international obligations."

A tough line was taken by another Left winger Mr. Frank Allaun (Salford E), who called for the dismissal of the Defence Chief for this "provocative war talk."

The Defence Secretary neatly turned the tables on another member of the Left wing Tribune Group, Mr. Ian Mikardo (Bethnal Green and Bow) who observed that it invariably led to trouble when politicians fancied themselves as military strategists and generals fancied themselves as world statesmen.

Mr. Mulley agreed with this, but wistfully suggested that he would be more than happy if Left wing Labour MPs would observe the first part of the proposition.

Mr. Richard Crawshaw (Lab. Toxteth) thought that these embarrassing incidents could be avoided if visiting generals were advised to make speeches before the toasts rather than after them.

With some asperity, Mr. Mulley retorted: "I would like to make it absolutely clear from my own knowledge of Sir Neil that any suggestion that he was intoxicated could not be further from the truth!"

Judd backs Market applicants

By John Hunt

THE GOVERNMENT unequivocally supports enlargement of the EEC to a Community of 12 by the admission of Spain, Portugal and Greece, Mr. Frank Judd, Minister of State for Common Market affairs, told the Commons last night.

The political imperative was urgent and applied equally to all three countries, he said, in a debate on EEC enlargement.

The budgetary cost of enlargement was very much in the Government's mind. A tentative estimate was that Britain would have to pay between £90m. and £115m. more in budgetary contributions.

On the implications for industry, Mr. Judd said that the applicant countries were low-cost producers in acutely sensitive industries such as textiles, steel and shipbuilding. "Negotiations will be very difficult and special arrangements will be necessary for the transitional period to the mid-1980s and beyond," he declared.

Mr. Douglas Hurd, Opposition spokesman, said that no-one could guarantee that membership would secure forever the political stability of Greece, Spain and Portugal. "But if we deny them membership, that will be a cruel and perhaps mortal blow to their hopes," he declared.

More talks planned on Press charter

BY OUR PARLIAMENTARY STAFF

THE GOVERNMENT needs to have consultations with the TUC, the CBI and the Press Council before publishing a draft charter on Press freedom, **Mr. Harold Walker**, Employment Minister of State, told the Commons yesterday.

He was challenged over protection for journalists from the closed shop by Mr. Fred Silvester (C., Withington), who asked when the Government intended to introduce the charter.

Mr. Walker told him that the application of closed shop agreements to journalists was one of the matters which must be covered in the draft charter which the Government was required to prepare and submit to Parliament. But he could not yet say when it would be possible to lay a draft before the House.

Mr. Walker said the Government had wanted to wait until the Royal Commission on the Press reported. Since that report was published last June, he had conducted a long series of consultations with representatives of both sides of industry.

"I still need to have consultations with the TUC, CBI and Press Council before the consultations can be concluded and we can produce a draft."

Replying to Mr. Robin Corbett (Lab., Hemel Hempstead) Mr. Walker said one of the Government's difficulties was that the Newspaper Publishers Association had not been able to speak with one voice. He had to listen to a number of voices on this issue.

Mr. James Prior, Tory employment spokesman, called for an assurance that the draft charter would contain complete freedom of access for all people to the Press at all times, and that there would be an undertaking that a journalist could join or not join a union according to his choice. Unless the charter contained those undertakings, it would not gain a majority in the Commons.

Mr. Walker said that access would be one of the matters covered in the charter. Its inclusion was a requirement under the terms of the Trade Union and Labour Relations (Amendment) Act.

Proposal for election of council employees

BY DAVID CHURCHILL

THE GOVERNMENT is planning controversial legislative amendments to allow up to 3m. council employees to stand for election to their own councils.

Council employees are banned by law from election to councils which employ them although they can seek to join other councils if they fill the appropriate electoral qualifications.

The proposals to amend Section 80 of the 1972 Local Government Act have the full backing of the Labour Party and public service unions. But the local authority associations are bitterly opposed.

Mr. Peter Shore, Environment Secretary, has asked both sides to join a special working party to "undertake a direct and practical study of the problems and see if a mutually acceptable and workable solution can be found."

But the Conservative-dominated Association of County Councils last week rejected joining such a working party. Its executive council said that "there can be no question of employees serving as members of a county council or any of its committees in either a voting or non-voting capacity."

The Association of District Councils is also opposed to relaxing the rules governing employees' disqualification for election and the Association of Metropolitan Authorities is expected to follow suit if, as seems likely, the Conservatives gain control after to-morrow's local elections.

Last night, Mr. Fred Jarvis, general secretary of the National Union of Teachers, criticised the local authority associations for dragging their feet over the issue. He said that the unions would "continue trying to persuade the associations to be more reasonable."

Objections to relaxation of the rules centre on the possibility that the election of junior staff as councillors would create problems for management by placing employees in charge of their own superiors.

Another fear is conflict of interest if senior staff were elected to the council.

Teachers are in a special position. They can be co-opted on to the education committees of authorities which employ them. But they cannot otherwise be elected to serve on councils in the areas in which they work.

The Labour Party argues that "it is not in the public interest for nearly 3m. people to be debarred from council membership." It believes that all but the most senior officers should be allowed to stand for an employing council.

The Government will not be anxious to force changes on local authorities. At the same time, it faces severe pressure from the unions. For this reason, it is not likely to push ahead with amendments to the legislation before the next general election.

Growing concern on jobs —Prior

By Our Parliamentary Staff

SIX HUNDRED people have joined the dole queue every day that the present Labour Government has been in office, Mr. James Prior, Tory employment spokesman, told the Commons yesterday.

Mr. Prior said there was deep and growing concern in the nation over the "high and consistent" level of unemployment. The Government's optimism about tackling the problem had been totally unjustified and ineffective.

Mr. Albert Booth, Employment Secretary, said he could only imagine that Mr. Prior had not read the unemployment statistics over the last six months. "There is no steady level of unemployment. There has been a falling level," he declared.

Considerable redundancies in this country had been offset as a direct result of the Government's actions.

Mr. Booth said that in mid-April there were 1,387,484 people registered as unemployed in Britain. "While the seasonally-adjusted level has fallen for the seventh successive month, the prospects for a major improvement depend, in large, on international co-operation on economic growth," he added.

Mr. Harold Walker, Employment Minister of State, refused to confirm claims that the increase in earnings in the present pay round could eventually turn out to be about 14 per cent.

These, he said, were speculative forecasts. "People who have been using figures like 14 per cent. should be aware of the damage they might be doing to our economy and national interest."

Mr. Walker said the monthly index indicated that average earnings were about 10.4 per cent. higher in February this year than February last year. That compared with an increase of about 10.3 per cent. in the previous 12 months.

He stressed that the Department of Employment was vetting productivity deals under the present pay round to ensure they were not bogus.

"We are satisfied those which have been before my department and approved so far are genuine self-financing productivity deals," the Minister stated.

Tory victors

THE TWO Tory victors of last week's by-elections in Wycombe and Epsom, Mr. Ray Whitney and Mr. Archibald Hamilton, took their seats in the Commons yesterday.

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echnical Page

ITED BY ARTHUR BENNETT AND TED SCHOETERS

● MATERIALS

mproves sun heat bsorption power

XORB is the name given to ck solar foil, a new material eloped to improve the ciency of solar energy lectors. It is to be produced l marketed by MPD Techogy—a new company formed Inco Europe to promote and l materials, processes and rices resulting from research l development activity.

axorb was invented at Inco's ropean Research and Develop nt Centre, Birmingham, lowing development at the ire of a continuous electroposition process to produce ctroformed plain nickel foil.

using a proprietary techogy, a heat-absorbent black face is developed on the foil ich gives a high degree of ar energy capture and low it emission.

oated with a pressure-sitive adhesive, resistant to h temperature, the foil can applied to flat-plate solar lectors with a minimum of ort and cost compared with er methods of surface preation. Tests have shown it improve the performance of lectors by up to 25 per cent., npared with those using a ck paint surface.

The Inco decision to produce and market the black foil was influenced by forecasts that by the end of the century solar energy could account for around 5 per cent. of the western world's energy requirements.

MPD Technology will also be producing and selling electroformed plain nickel foil. The electroforming production technique enables the foil to be produced at greater widths and lower thicknesses than can be achieved by conventional metallurgical processes. The foil thus made has a very high degree of chemical purity combined with good mechanical properties.

It will be available in thicknesses from 4 microns to 200 microns, and initially, in 150 mm widths and in coils up to 800 metres in length. Additionally, it will be offered as a perforated product over the whole thickness range with different patterns, hole size, shape and densities to meet the requirements of individual customers. It is expected to be used in bursting discs, thermal shielding and various electronic and battery applications.

MPD Technology, Wiggin Street, Birmingham BI6 0AJ. 021 454 0373.

educes the spray n jet cutting

W COST self-sealing barrier terial which will prevent ash-back during water jet ting for up to 40 hours has n developed by SATRA oe and Allied Trades search Association) at Keting.

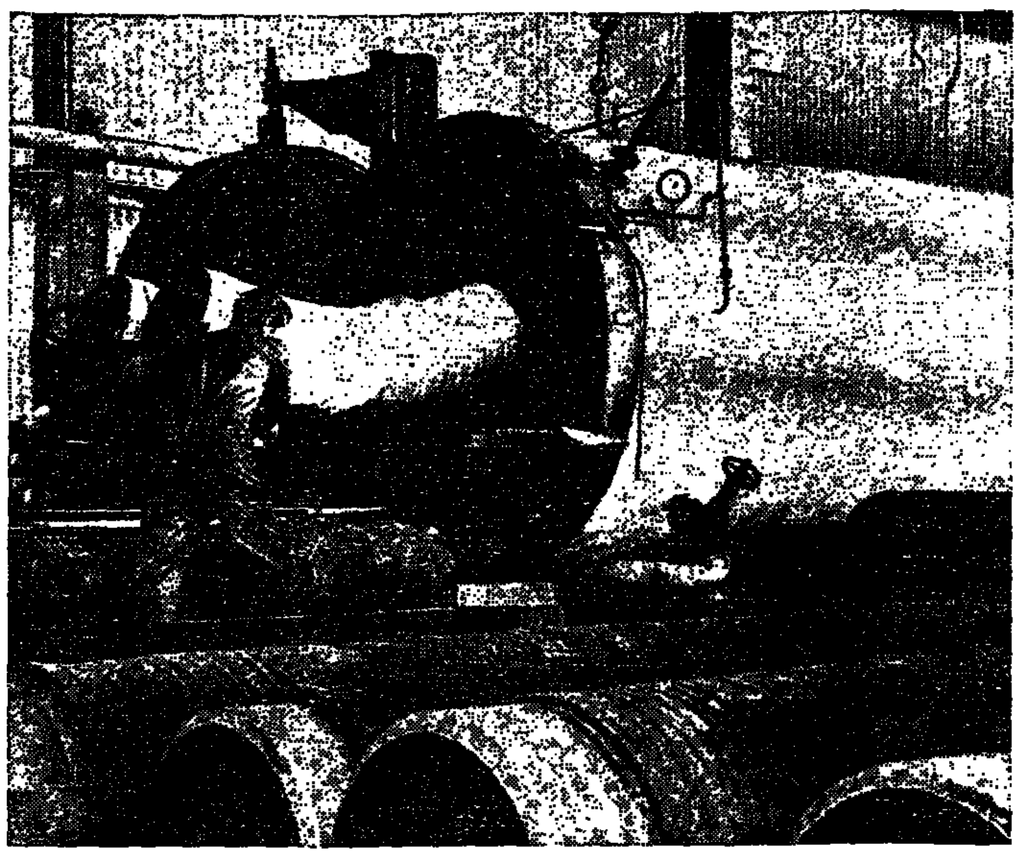
This development follows from the need to catch the liquid—used to cut materials—below the cutting table to take it to waste. This in itself presents no problem, but supporting the material to allow free passage from the jet to the catcher does. A wire grid is the simplest and cheapest way of supporting the material, but splash back occurs every time the jet crosses a wire, so wetting the underside of the material.

A sacrificial barrier material therefore becomes necessary and a low density sheet of bonded fibres is suitable. Unfortunately, it very quickly becomes ineffective because the small pieces that are separated from the sheet by criss cross cuttings fall through the grid.

The new self-sealing material developed by SATRA is based on a sheet of crepe milled to emphasise its usually unwanted characteristic of sticking to itself. The initial cost is about £7 per square metre and it can be remilled into usable sheet many times at £1.50 per square metre.

SATRA House, Rockingham Road, Kettering, Northants., NN16 9JH. 0536 516318.

● *By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*



Steel pipes, 18" in diameter, coated with a British Vita rubber compound and then *enveloped* in nylon tape, are here being rolled into a steam-heated autoclave for curing before being *shipped to North Sea oil rigs. This process protects the pipes against corrosion. They will* be used to save the waste of natural gas which is to be piped to the mainland instead of being *burnt off at the top of the rig.*

● PACKAGING

Keeps many loads in place

TWO FULLY automatic pallet strapping machines, believed to be the first of their kind available in the U.K., come from F. A. Power, Birmingham.

Designed to accommodate loads packed on most standard pallets, the new machines feature automatic strap feed, tensioning, a strap dispenser, heat sealing unit and a choice of either fully automatic or manual control. They can be used to secure loads as different as beer crates, building blocks, boxes of fruit and goods for export.

Compared with shrink-wrapping, an alternative method of securing loads on pallets, the cost of strapping is fractional, says the developer.

Crates designed for stacking are not necessarily stable over a *certain height and stability can* be increased dramatically if several stacks are strapped together horitontally. The *Powerstarpex horizontal* strapping machine can be programmed by the user *to apply one or two* straps at different pre-determined *heights around the crates.*

The vertical strapping machine *applies straps through the void* of the pallet (this way the strap *is less prone to damage from* forklifts) to secure the crates or cartons to the pallet. If necessary, the two machines can be used in tandem to secure pallet loads with vertical and horizontal straps.

Polypropylene strapping material used on the machines is Power's own product—Polyband. It is available in widths of 9mm. and 12mm.

More from F. A. Power (GKN Group), *POB3*, Castle Works, Cardiff CF1 1TP. 0222 33033.

Double deal for codes and labels

AN AMPOULE labelling version of an automatic self-adhesive labeller, has been developed to apply pressure-sensitive labels at speeds between 10 and 240 per minute, and was designed by Newman Labelling to accept containers from trays.

The machine is introduced with a *second new product*, the HFC 38/12, the first hot foil coder *from a newly formed Newman* associate, Allen Coding Machines, *37 Ox Lane, Harpenden*, Herts. The latter, the first in an initial *series of four models, is designed* for batch and date coding in the pharmaceutical industry. It is said to handle a maximum tape width of 38mm. with maximum indexing length of 12 mm. and is capable of operating at speeds up to 200 prints per minute.

The HFC 38/12, was developed by Allen's *managing* director, in his spare time at home, while working as engineering manager for Newman which has given the *former company full backing with* the anticipation of future production benefits

More from Newman's at Queens Road, Barnett, Herts.

● MACHINE TOOLS

Safer for operators

LATEST code of practice to ensure safety in the use of machine tools applies to grinders and honers. Published by the Machine Tool Trades Association "Safeguarding Grinding and Honing Machines" describes *methods of making such equipment* as safe as reasonably *practicable.*

Basic principle is that unless a *danger point or area is safe* by virtue of its position, a safeguard *should be provided.*

The code, however recognises *that this principle cannot always* be applied to the entire work *area of a machine-tool* and that modification must be made to meet demands made by the *nature and variety of the work.*

The code costs £5 from MTTA *Standards*, 62 Bayswater Road, London W2 3PH. 01-402 6674.

In the meantime, the Machine Tool Industry Research Associa*tion, responding to growing* interest among factory and plant *managers*, is to repeat a one-day course on technology to *reduce noise from machine-tools.*

This course is intended to help *machine tool* designers and development engineers to gain experience in the analysis of machine tool noise and the choice of appropriate remedial treatments.

More from MTIRA on this June 5 course at Hulley Road, Macclesfield. Macclesfield 25421.

Simplified positioning

MANUAL control of the position of, for example, machine tool cutting heads is simplified by Minipak system announced by Thorn Automation.

It consists of a rotary disc encoder and a *digital* display. The encoder may be activated directly from a rotating *shaft* to measure circular motion, or via rack and pinion, pulley or *other* arrangement to measure linear motion.

Signals from the encoder *activate the six digit display*, which is available for metric or imperial readings. System resolution is 0.1 mm or 0.01 inches.

Applications are expected on wood-working machines, guillotines, presses and cut-to-length applications. This relatively low cost system is sealed for normal industrial applications.

Optional extras include battery *back-up, bi-directional reading*, automatic reset and program control. *The company says it* is willing also to consider adapt*ing the device to particular* applications.

More from P.O. Box 4, Rugely, Staffs., WS15 1DR (Rugely 5151).

● FINISHING

Small components painted in bulk

ENAMELLING OF small components can be carried out efficiently and speedily, it is claimed, with the aid of a machine which consists essentially of a barrel rotated by an electric motor. Coating of the components is carried out by a gravity-fed spray gun.

Components loaded into the barrel are rotated, sprayed and *stoved for a preset time cycle* and two barrels and two spray *guns* are supplied with each machine to enable continuity of *operation. Thus, a barrel may be* emptied and one gun cleaned under pressure while enamelling occurs.

One operator can handle several machines which are free standing. The standard barrel has a capacity of 6-11 kg. and a smaller barrel 2-5 kg., but suitable sized purpose designed barrels are available.

Fumes are extracted by the plant and the operator does not have to wear a protective mask. The machines are being supplied by an Imperial Metal Industries subsidiary, IMI Precision Diecastings. PO Box 216, Witton, Birmingham B6 7BA.

● ENERGY

Battery has extended performance

NATIONAL Panasonic's new lithium battery, BR2325, is coin-*shaped and roughly the same* size as a 5p coin.

Estimated shelf life is five to ten years and its tiny measurements (2.3 cm. diameter, 2.5 mm. thick, 3.1 grams in weight) and long storage life will make it a boon for further miniaturisation in electronics products.

The BR2325's *longevity means* long usage as well as long *storage. An LCD electronic* calculator would run off one *battery for between five and ten* years—so that it could be re*garded as a component, not a* "consumable."

A general advantage of lithium batteries is that they have the highest energy density of all kinds of primary batteries. The BR2325 has a high nominal voltage—2.8V—almost twice that of silver oxide batteries (1.5V), more than double that of mercury batteries (1.3V).

Voltage is very stable during operation, and voltage decrease extremely small; it operates at temperatures down to —20 degree C. and it does not suffer *from the gas and sulphur com*pounds leakage problems en*countered in some lithium* batteries. It is chemically and *thermally stable, and generates* no gas or corrosive materials *during operation.*

National Panasonic, 107 Whitby Road, *Slough SL1 3DR.* Slough 34522.

● AUTOMATION

Robot runs a machine

ONE RESULT of co-operation between Siemens and Fujitsu Fanuc is the design of two different industrial robots now coming on to the market. They represent *a further step towards the automation of the machine tool sector, a development which is* increasing productivity and freeing shop floor personnel from risk, monotony and harmful environments, particularly with respect to noise.

Sirobot 1 is designed to operate one numerically controlled machine tool, while Sirobot 2 can operate up to five machine tools. The logic centre for both consists of a microprocessor-based control system with teachin programming. No paper tape is required.

The arm of Sirobot 1, which operates in four fundamental axes, can sweep through an angle of 270° at a rate of 60°/sec. The 500 mm up- and-down motion occurs at 500 mm/sec., and the 800 mm traversing motion at 1,000 mm/sec. The hand joint allows the hand to rotate through 90° at 60/sec. and the swing ± 3.5° out of centre.

One NC machine can be fed with workpieces, and the necessary tools can be loaded, unloaded and changed very quickly. *D.C. motors provide the drive* power. The hand is specially de*signed to grip turning and milling parts.*

The *arm* of *Sirobot* 2 can sweep through an angle of 300° at 60°/sec. The 600 mm up-and-down motion and the 1100 mm traversing motion can both be carried out at 500 mm/sec.

The hand can rotate through 270° at 60°/sec. and swing through 270°. Five NC machines can be fed with workpieces, and the necessary tools can all be loaded, unloaded and changed at high speed. D.C. servo motors with a total three-phase connected load of 7 kVA provide the drive power.

Siemens AG, Postfach 103, D-8000 Munich 1, Federal Republic of Germany.

● SAFETY

Softer landing for pit cages

FOLLOWING THE Markham colliery accident of 1973, in which 18 coal miners crashed down a deep *shaft* to their deaths, numerous suggestions from both industry and the general public led to the National Coal Board's choice of an impact energy absorption system for providing a soft landing for pit *cages at shaft bottom in the* event of a malfunction.

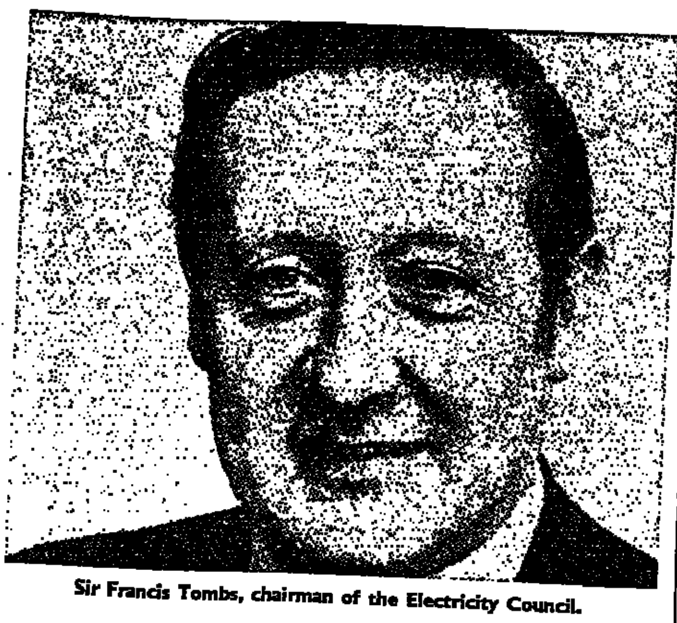
The system is based on multiple layers of Du Pont neoprene synthetic rubber and of a specially woven polyester fibre which, says the company, have proved resistant to abrasion and exposure to coal dust, humidity, grease, oils and chemicals usually found in pit bottom confines. Recovery from deformation after impact and adherence to the strict NCB *flame resistance specifications in* collieries also determined the *choice of the polychloroprene* rubber from Du Pont.

Cable Belt has designed the system, known as pit bottom buffers, currently being installed in several collieries in the U.K., and its application is being studied for hoist or lift shafts and *similar installations in* industry, hospitals and the hotel trade.

More on 01-242 9044.

How to regenerate the electricity industry

Sir Francis Tombs pleads urgently for the reorganisation of his industry


Sir Francis Tombs, chairman of the Electricity Council.

LARGE organisations face the need for compromise between the centralisation necessary to permit strategic policy decisions and the decentralisation necessary to bring decisions close to the work-face, where job satisfaction and consumer satisfaction can be recognised and, hopefully, satisfied.

The larger the organisation, the greater the potential conflict between these issues. The electricity supply industry in England and Wales is very large: it employs some 160,000 people, serves almost 20m. consumers, had a turnover of about £4,500m. in 1977/8 and has net assets of almost £6,500m. Every house and every factory in the land is a customer and the contributions of electricity to the quality of life to-day and to the energy problems of the future are universally acknowledged.

One might expect, then, that the organisational structure and performance of the industry would be of more than passing interest to Parliament, whose creature it is. Alas, the record makes sad reading.

In 1948, when the industry was first nationalised, the organisation consisted of a national British Electricity Authority responsible for generation and transmission and with substantial powers of control over the Area Electricity Boards which were responsible for distribution.

In January 1956 the Herbert Committee recommended separation of generation and transmission under a Central Electricity Generating Board with retention of the Area Distribution Boards, but with the central authority retaining certain strategic powers over both the generating and distribution boards. These included:

(a) approval of general plans; (b) approval of capital and revenue budgets; (c) approval of depreciation policies; and (d) approval of retail and bulk supply tariffs.

So far, so good. The pendulum had swung a little towards decentralisation of management but the centre retained control of national issues and had a supervisory role.

The Government of the day knew better and accepted the decentralisation part of the package in full, whilst rejecting the need for an effective central body. So was born the Electricity Council, with virtually no powers over the 13 statutorily independent boards, each with its legally independent duties and responsibilities.

The Central Electricity Generating Board quickly emerged as the dominant member of this loosely federal industry since it controlled the bulk of the capital and revenue spending of the industry. By contrast the distribution boards, with 80 per cent. of electricity costs determined by the producer, were divided and impotent in respect of the major strategic issues facing the industry. The industry met together only in the Electricity Council, devoid of power and incapable of leadership. So was born the separation between production and marketing which has been the cause of much dissatisfaction both inside and outside the industry.

In 1970, a Bill was produced, following a departmental inquiry, which sought to give some strategic powers to an Electricity Authority in place of the Electricity Council. Unfortunately this timid measure fell under pressure of Parliamentary time prior to the 1970 general election, and was not revived by the incoming Government.

In December, 1974 the Plowden Committee was appointed "to examine the structure of the electricity supply industry in England and Wales and to report to the Secretary of State for Energy." It did so in January, 1976 and recommended that a Central Electricity Board should take over the functions of the Electricity Council, the CEGB and the Area Boards. The centralist dangers of this approach were explicitly recognised by a recommendation that the new CEB should be under a statutory duty to devolve maximum authority to operating units.

The report was highly critical of the organisation set up under the 1957 Act and Paragraph 4.5 gives a powerful critique of those arrangements:

"Wholly exceptional leadership might help to reconcile divergent views and encourage the sacrifice of individual interests for the sake of the whole industry. The Electricity Council, however, is not well equipped to give a strong lead. It is dominated by 15 members who act in effect as representatives of their Boards and who have a collective interest in maintaining the principle of the Board autonomy. The chairman and "central members," who are not committed to any Board, have no powers separate from those of the council as a whole; they can mediate or persuade but they cannot direct. It says much for all those involved that, in these circumstances, the industry achieves as much unity as it does. We understand, however, that the Council can only reach agreement slowly and at the price of great effort. The result is a tendency for the industry to react to events rather than to take the initiative."

Almost two years later, after a leisurely examination of the issues raised by Plowden, the Government included a statement of their intention to reorganise the electricity supply industry in the Queen's Speech in November 1977.

Some of Plowden's main recommendations were incorporated. These included unification of the fragmented industry, provision for the industry's organisation to evolve to meet changing requirements without the need for major legislation, and maximum devolution of managerial action.

An important part of the Bill was its provision for the organisational structure to be specified by an Order laid before Parliament by the Secretary of State following receipt of a report from the industry. The first such order specified central powers remarkably similar to those recommended by the Herbert Committee in 1956—22 years earlier.

One might have expected that these proposals based generally on the report of the Plowden Committee, seeking to reconcile central determination of strategy with maximum devolution of executive management, and receiving widespread support within the industry, would command support across party boundaries as the overdue solution to a long-standing problem in a major nationalised industry.

Unhappily, the Government did not have a majority in the House of Commons and so found itself dependent, on this as on other issues, on the Liberal Party.

The Liberals declared, in contradiction of earlier indications, that they would not support the Bill. Their reasons have been given as concern about excessive centralisation and the provision of manufacturing powers. The first of these cannot survive a careful reading of the draft Bill and draft Order now published as a White Paper (Cmnd. 7134). The second, manufacturing powers, is a "political" provision bearing no relationship to the needs of the industry and could surely have been reconsidered during the passage of the Bill through Parliament.

Whatever the real reasons for the absence of Liberal support, it led to a Government decision to withdraw that part of the Bill which dealt with reorganisation.

So, once again, Parliament has proved unable to meet its responsibility in relation to this major public industry and has left it shackled by the rigid and ineffective framework of the 1957 Act.

The Electricity Council, consisting of four central members, the twelve Area Board chairmen and the chairman and two members of the CEGB, unanimously agree that the statutory barriers to a co-ordinated industry which exist as a result of the 1957 Act should be removed. The members will try to develop methods of operation on a co-ordinated basis by voluntary means, but the existence of 13 statutory boards with separate legal responsibilities will necessarily limit the progress that can be made.

Publication of the draft Bill and Order as a White Paper has enabled the Select Committee on Nationalised Industries to examine it in detail and to seek views from interested parties. I earnestly hope that this process will lead to a recognition by all Parliamentary parties that great industries cannot operate efficiently in shackles and that too much management effort has to be directed to overcoming artificial barriers.

As representatives of the public, the owners of nationalised industries, MPs have a major responsibility which needs to be recognised and discharged. A failure to do this, either because of an unwillingness to devote the necessary time or as a result of opportunistic motives, will be grossly unfair to a hard-working and dedicated management and workforce and will fail to realise the potential national contribution of a major industry.

The end of an era for Italy's drug pirates

BUSINESS LAW

MARCH 30 this year is likely to become a red-letter date for the research-based pharmaceutical industry. Until then it was impossible to obtain patents for pharmaceutical processes and products in Italy.

This made Italy the haven of companies producing imitations of successful medicines developed by others, without having to maintain a costly research establishment of their own.

This was by no means just a domestic Italian problem. Many of the imitation drugs—sometimes bearing even the trade mark or name of the research-based pharmaceutical company who developed and manufactured the original—were exported from Italy at cut prices.

Nor was this a problem confined only to medicines for humans. An important role was played by vitamins and antibiotics used in animal husbandry, mainly as additives to pre-mixed fodder.

This situation was of great concern to the Swiss pharmaceutical companies, on whose doorsteps this free-for-all was taking place, and also to the other large research-based pharmaceutical industries, in Britain, Germany, France and the U.S. The fear of the research based pharmaceutical companies—that a relaxation of trade mark protection would enable EEC importers to sell the Italian imitations as their products—has been the background of many trade mark cases before the European Court.

Rescued

This applies in particular to the Centrafarm/Roche case, which is about to be decided by the European Court. It concerns the question of whether an importer not authorised by the manufacturer, and operating in parallel with the authorised distributor may, under EEC law, repack the branded product—in this case Valium— and sell it under the original trade mark.

For a long time now the Italian Government has been under international pressure to introduce legislation to make pharmaceutical products and processes patentable. However, this pressure was strongly opposed by the Italian producers of imitation drugs. As a result the Italian Government found it very difficult to obtain from Parliament a ratification of the European Patent Convention, which does require that pharmaceutical products and processes should be eligible for patent protection.

The Government has now been rescued from this difficult situation by the Constitutional Court. For many years it had received complaints that Article 14 of the Italian Patent Act, which prohibits the issue of patents for pharmaceutical processes and products, was unconstitutional, according to Italian law. The Court hesitated to touch this subject for a very long time.

By the end of last year, however, well-informed observers were reporting that the judges had already made up their minds effectively to overturn the article. The judgment was finally handed down in March to take effect on March 30.

As from that date, the famous Article 14 no longer applies. The Italian Patent Office can and will issue patents for pharmaceuticals. But what about old applications and the vested interests of those who produce in Italy drugs invented by others? This conflict of interest is likely to be translated into a number of insoluble legal problems, and the ensuing confusion will have to be tidied up by legislation.

The new situation created by the decision of the Constitutional Court is relatively clear and uncomplicated only in respect of new patent applications for pharmaceutical products or processes which have not been exploited by others in the past. As far as examination and grant of patent are concerned, new applications concerning pharmaceuticals will be handled just like other patent applications.

It is probable though, that special rules will be enacted allowing licences to be granted when this is deemed necessary to the public interest.

The same legislation will probably extend—from the normal three years to five—the period after which compulsory licences may be granted if the patent is not worked in Italy by the patentee.

Far more complex is the situation of pharmaceutical products and processes for which a patent application had been made in the past. If not rejected and still pending—and provided that the conditions for granting of a patent exist—such application should now be accepted by the Patent Office, but patent protection can be claimed only from the date when the decision of the Constitutional Court was published, namely March 30.

Patents granted in the past "by error" when it was not recognised that the products had a pharmaceutical application will be revalidated as pharmaceutical patents with effect from March 30.

Then there is the rather complicated case of inventors who did not file a patent application because they considered it pointless, and were later overtaken by other inventors who did apply for a patent, hoping that Article 14 of the Patent Act would be declared unconstitutional—as indeed it was. If the first inventor made his invention known then, of course, the second cannot obtain a patent because the product or process was not novel at the time he applied.

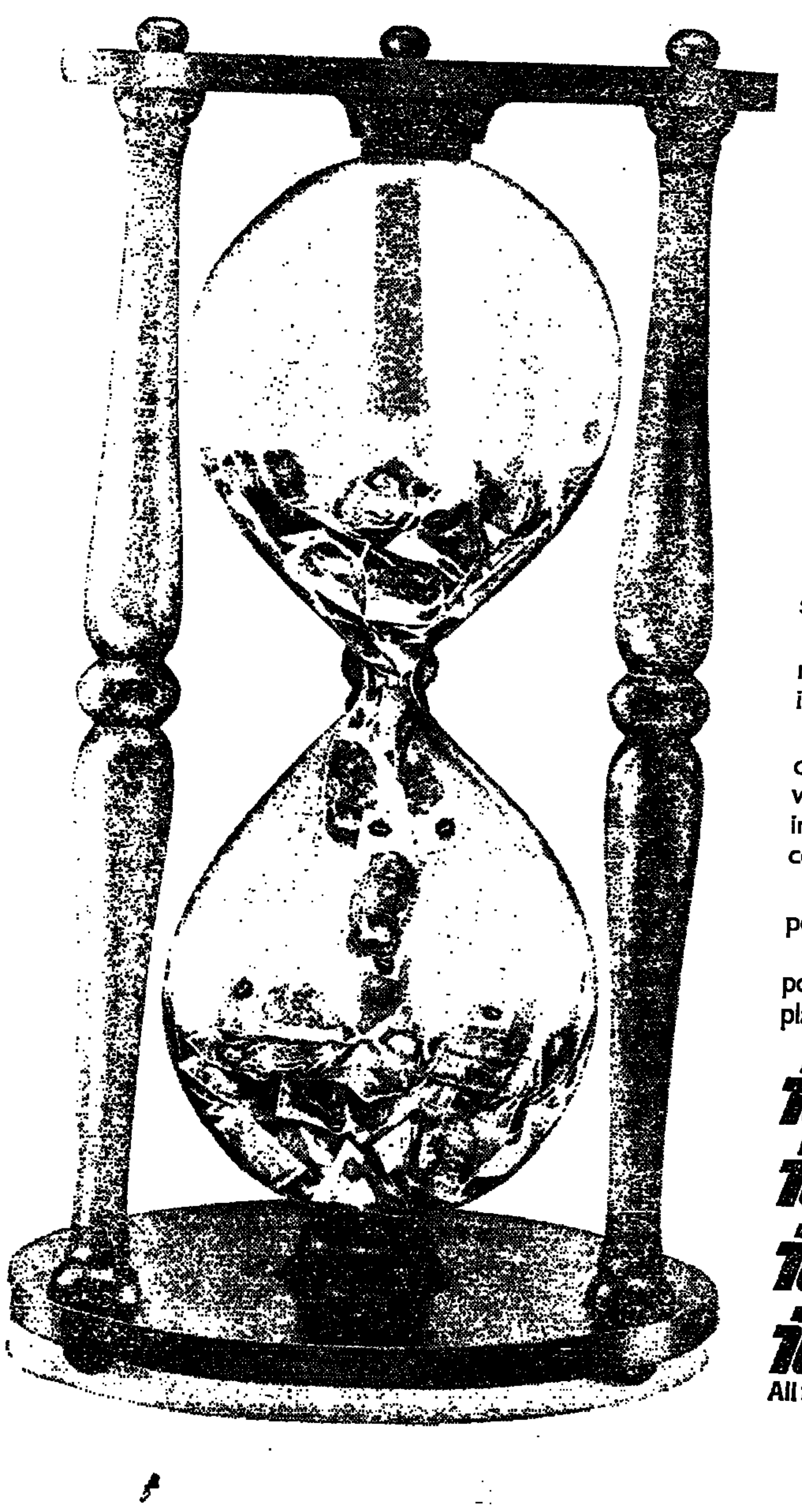
Controversial

But what about cases involving first inventors who started manufacturing the product without publicising the invention? *The Constitutional Court* suggests that in such a case the first inventor should be allowed by special legislation to continue to exploit his invention.

The real clash of interest will not so much be between inventors, as between foreign research-based companies—who will now obtain Italian patents for their drugs—and the Italian companies who have been imitating their drugs for a considerable time, having made substantial investments for this purpose. These investments were made on the assumption that the Patent Act was valid law in its entirety.

In the view of the Constitutional Court, legislative measures should be adopted to protect the economic interests of companies which relied on the continued absence of patent protection for pharmaceutical products and processes in Italy. The transitional legislative measures, which are now being considered by the Italian Government, will no doubt become the subject of international controversy.

A. H. Hermann

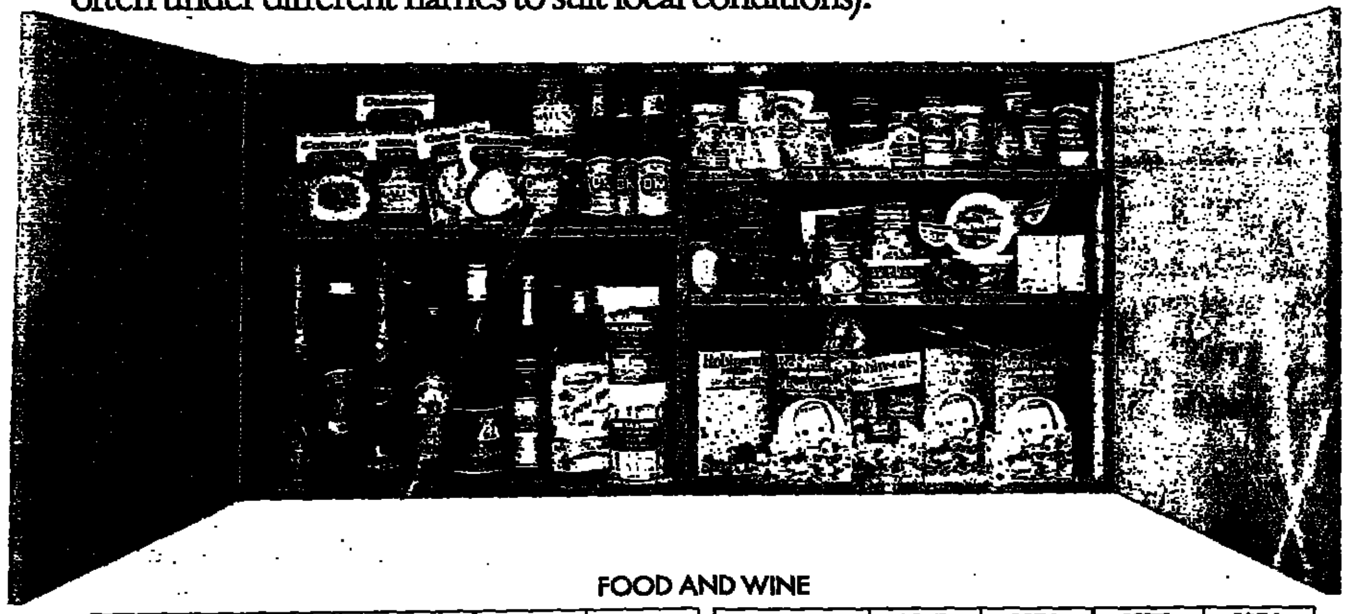


The day people stop eating, drinking, washing their hair, cleaning their teeth, shining their shoes, doing their housework, getting headaches, catching colds, pursuing hobbies, & having babies, we'll have problems.

But until that day, we'll continue to prosper.

For in each of these areas of basic everyday life, Reckitt & Colman has established big brand products, a great many of which are market leaders.

And we make and sell these famous products all over the world, (although often under different names to suit local conditions).



FOOD AND WINE

Worldwide sales	1977	1976	1977 % of total	1976 % of total
	£231.76m	£215.23m	41.6	44.4

Profit before tax	1977	1976	1977 % of total	1976 % of total
	£16.54m	£15.88m	27.8	30.3

This combination of well-established products and worldwide coverage gives us enormous strength, so that, even in the difficult trading conditions of 1977, our sales grew by 15% to £557 million and our profit before tax grew by 12.6% to £57.91 million.

Exports from the UK and earnings from our overseas companies contributed substantially to these improved figures.

Indeed, Reckitt & Colman is proud that in 'Export Year' our UK export sales showed an increase of 30.8% to reach a total of £35.5 million.

*PHARMACEUTICAL

Worldwide sales	1977	1976	1977 % of total	1976 % of total
	£53.42m	£45.09m	9.6	9.3

Profit before tax	1977	1976	1977 % of total	1976 % of total
	£9.12m	£7.42m	15.3	14.1

*Pharmaceutical products are in the cabinet and some of our toiletry products are shown on the shelf.

Of course, no company can continue to prosper unless it earns enough profit to provide for future growth.

Reckitt & Colman used the resources available to it to spend £24.82 million on capital expenditure and also to invest substantial sums in research, development and marketing programmes.

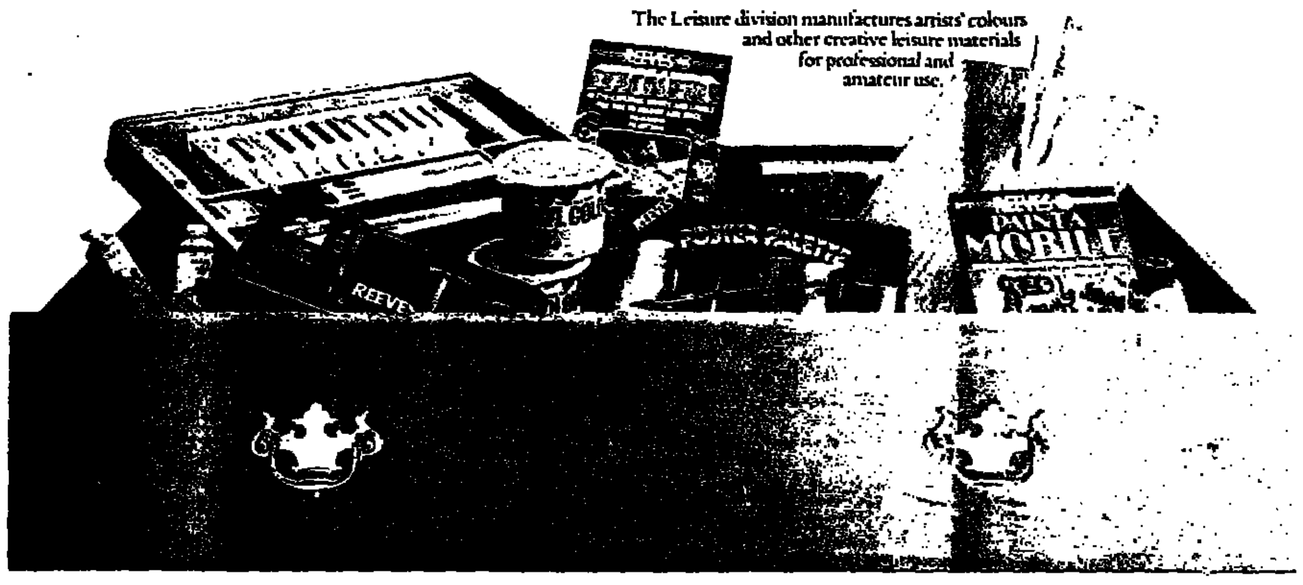
HOUSEHOLD AND TOILETRY

Worldwide sales	1977	1976	1977 % of total	1976 % of total
	£193.25m	£169.79m	34.7	35.1

Profit before tax	1977	1976	1977 % of total	1976 % of total
	£28.33m	£25.74m	47.6	49.1

And next year? And beyond?

We believe that the spread of our business enables us to prosper in today's world markets and to benefit rapidly from any upturn in world trading.



The Leisure division manufactures artists' colours and other creative leisure materials for professional and amateur use.

INDUSTRIAL, LEISURE AND COLOURS DIVISIONS

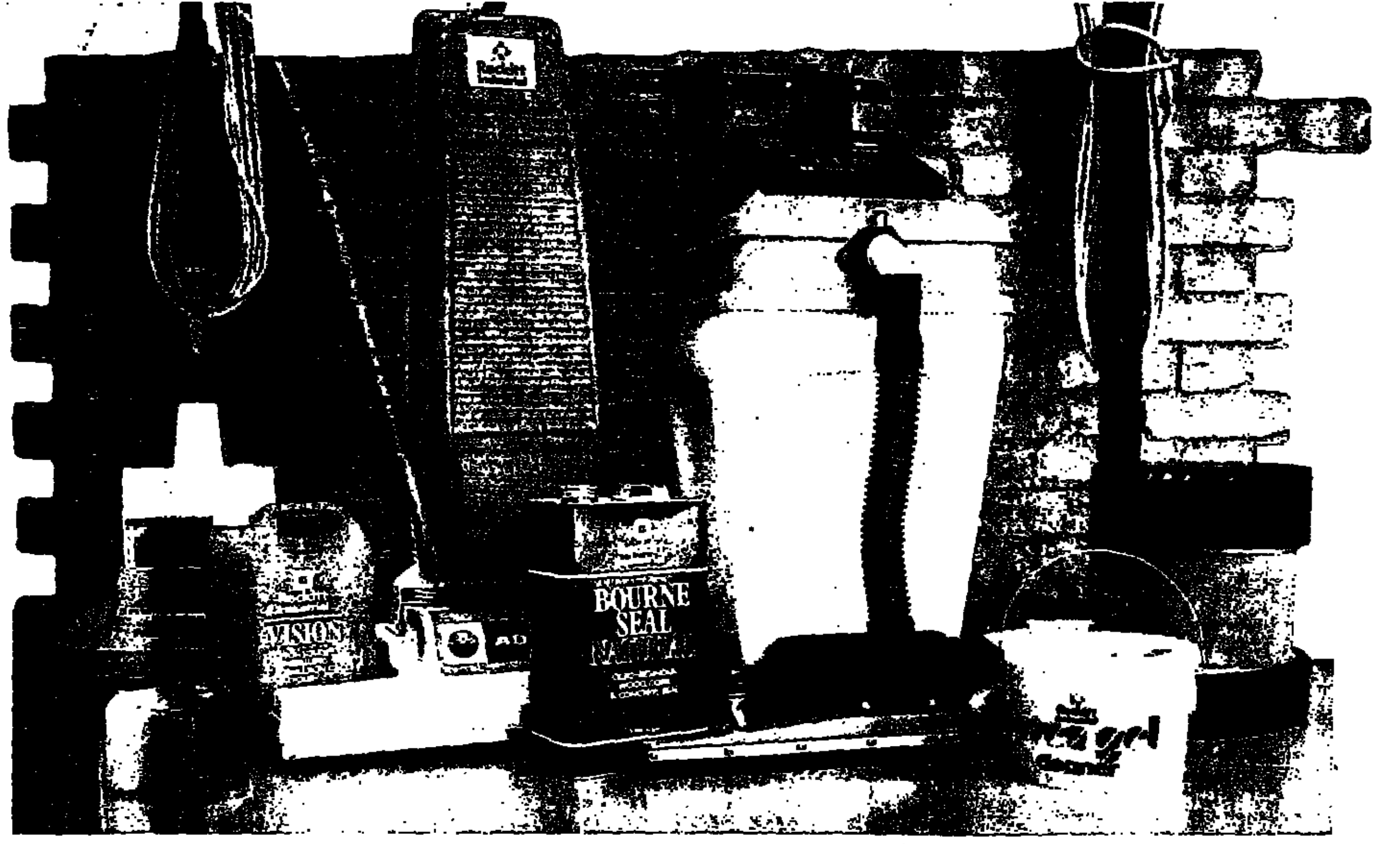
Worldwide sales	1977	1976	1977 % of total	1976 % of total
	£78.57m	£54.14m	14.1	11.2

Profit before tax	1977	1976	1977 % of total	1976 % of total
	£5.58m	£3.43m	9.3	6.5

The sales and profit results of the Colours, Industrial and Leisure divisions are shown in consolidated form in the table above:

In short, we believe Reckitt & Colman will continue to build sales and profit. That is, until people stop eating, drinking, washing their hair...........

If you'd like to know more about Reckitt & Colman, please send the coupon below for a copy of our Annual Report, which has been carefully designed to be easily understood by specialists and non-specialists alike.



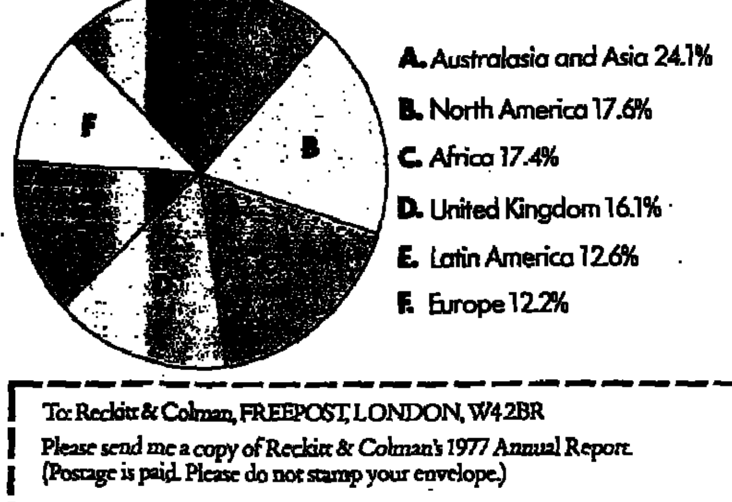
The Industrial division markets industrial cleaning materials, services and machines.
The Colours division manufactures pigments, largely ultramarine for industrial use.

We also look forward to seeing shareholders at the Annual General Meeting, which takes place on Thursday 25th May at the following address:
Connaught Rooms, 15 Great Queen Street, London WC2 at 10.15a.m. for 11.00a.m.

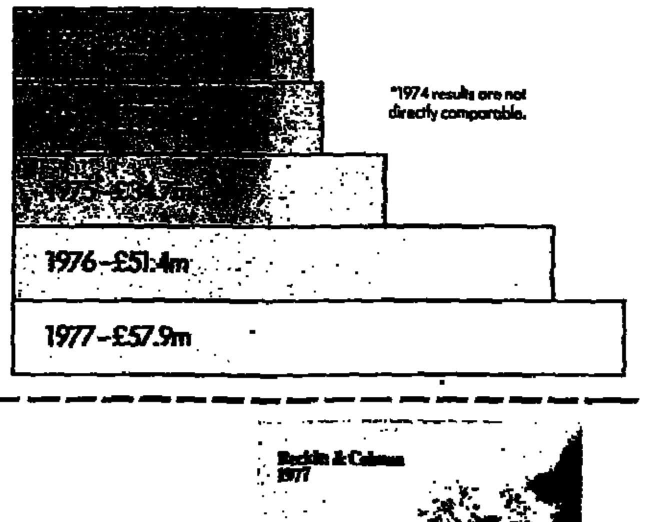
Reckitt & Colman

Strength in depth

PROFIT BEFORE TAX BY AREA



PROFIT BEFORE TAX



To: Reckitt & Colman, FREEPOST, LONDON, W4 2BR
Please send me a copy of Reckitt & Colman's 1977 Annual Report.
(Postage is paid. Please do not stamp your envelope.)

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Group Headquarters: 1–17 Burlington Lane, London W4 2RW

LOMBARD

Industry aid—German style

BY ADRIAN DICKS

OUTSIDERS often detect a certain economic hypochondria in West Germany, which suggests for example that the direct consequences will follow marginal movements of the exchange rate, or that a fraction of a percentage point more or less on the wage bill can provoke excruciatingly painful inflationary pressures.

There is another set of symptoms, however, that Bonn's friends and partners might be less envious of, if they knew more about them. And oddly, they represent a complaint that has been getting surprisingly limited attention inside West Germany until very recently — the extent of the subsidies which the West German Government is now finding itself obliged to pay out to loss-making industries.

Rare attempt

As in many countries, it is not easy to pinpoint the full economic weight that subsidies account for. A rare attempt to do so was made last week, however, by Count Otto Lambsdorff, the Economics Minister, when he presented the Cabinet's decision to fund for four years a programme worth DM.582m. a year for long-term investment by the coal industry. The programme, as the Minister explained, was necessary in great part to safeguard jobs, and would do so by providing the industry with funds to undertake big investments in the costly new technologies of coal gasification and refinement as a chemical feedstock source.

Hard-pressed for years by declining sales to the electricity utilities and to the steel industry, the coal industry has seen its chances of raising the necessary long-term investment finance on its own crippled by its short-term cash difficulties. Unsold stocks at the pithead now stand at a massive 33m. tonnes, or about 37 per cent. of last year's production of 89m. tonnes.

In the past couple of years, the Government has agreed to finance some of the cost of unsold stocks, as part of a national strategic energy reserve. It has given the industry tax concessions, has limited imports of cheap U.S. coal (in which the biggest German company, Ruhr-Kohle, itself has a stake), has introduced an energy plan to give coal priority in new power stations, and has sought to tax heating oil more heavily.

The bill for all this is expected to be well above the DM4bn. mark this year, to which must be added an estimated DM550m. more in aid for coking. Count Lambsdorff told the Bundestag bluntly: "I have the impression, ladies and gentlemen, that with this aid to the mining industry, we are pushing up against the limits of what can be expected from the budget and from the economy as a whole."

Few governments could do otherwise, given the coal industry's extremely difficult short-term position and given the fact that hard coal is the country's only major domestic energy resource. Yet the question of how much even West Germany can afford to pay out in subsidies to hardship industries is beginning to be asked more often.

At the head of anyone's list is the Bundesbahn, or federal railways, whose need for Government funds this year is expected to be around DM13bn. The non-party Taxpayers' Federation, which carried out an anguished study of the railways' financial situation last summer, came up with the calculation that the current deficit is equal to over 6 per cent. of the current federal budget, or DM400 per taxpayer, while the accumulated debt would on current trends reach DM70bn. by 1985.

Not counting the Bundesbahn subsidy or the tax concessions worth some DM5bn. aimed at West Berlin, total subsidy spending and tax concessions under the 1967 economic growth and stability act amounted in 1977 to DM13.2bn. The 1978 projections by the Government show a rise of about DM1bn. more.

Want more

Some of the Government's clients are already back and asking for more — albeit with the best of reasons. The shipbuilding industry has warned that the existing aid may not be enough to keep it in business, while the shipowners, squeezed between rising D-Mark outlays and fast shrinking dollar receipts, want a Government exchange rate guarantee. The aircraft industry, whose unsuccessful attempt to sell the all-German VFW 614 cost the taxpayer about DM700m. will also no doubt be back with a request for seed money for the next round of joint European civil airliner projects.

At a period when both Britain and France, the two traditional dirigiste governments in German eyes, seem to be trying to contain the subsidy bill, is Bonn actually moving in a contrary direction? Or does Count Lambsdorff's unconcealed reluctance to sign the whopping cheques suggest that a new era of actually putting the market economy into practice may be dawning in Germany, too?

The maddening delights of gentian

GARDENS TO-DAY

BY ROBIN LANE FOX

QUITE THE BEST thing in my garden at the moment is a plant which I had forgotten about. Gentians, I grant, are not easily forgotten. There is no blue so intense—unless you grow Corydalyis Casmiriana, which, I bet, you do not. There is no flower, which is quite so satisfying to have captured and brought to its best in a garden. Gentians are the flowers of Alpine meadows, Chinese marshes, Oriental woodlands. They are quite remarkably varied: there is even a tall straw-yellow one called Lutea, which likes open meadows and which I recommend, not least for its bold leaves. In the 3 to 6 inch class, there is nothing to compare with sky-blue Farreri, striped with olive-green and dark navy, or with plain Acaulis, whose wide trumpet-flowers are a gloriously deep blue. How, then, could I have forgotten one?

Obstinacy

Plain old Acaulis has annoyed me for longer, even, than I have been writing this column. Every year, I think I will defeat its obstinacy by some new trick. It will grow, throw out more of its palish green rosettes of leaves, but it refuses to show any buds at all in the months when it is all over any self-respecting European's calendar. I have been told to stamp on it, walk on it in rubber shoes throughout the season, feed it on fresh pig manure, stoically collected, water it with warm water, douse it with salt water, allow it to struggle among leaves, place it at the highest point in the garden, leave it to be sodden in the lowest, cover it with a glass pane, plant in on a mole-hill and, of course, to buy only from reputable nurseries, such as yours truly's, which happens to have an expensive stock of it available. I now find the answer, for I have at least one bud on one three-year-old plant; buy it, and never look at it, until it has set a flower.

Here and there, in almost every bed, I have a Gentian from the past. Now, in a pot which I have quite forgotten for two years, one is showing a long, pointed ink-blue flower bud. It must, in a week, become a trumpet. When it does, it will be worth the ten false starts, the pig manure, the cow manure, the bucket of chicken-droppings, and the treading which led nowhere. There never was quite such a blue. Nobody can photograph it truly, nor paint it. Europeans take it for granted, and sometimes claim to prefer that dull, flannely old Edelweiss. One Acaulis does not make a spring garden, but I feel that, by accident, I have won the battle at last.

Why bother you with it? Because, maddeningly, it will often grow freely. There are garages, I am told, which have edged their pumps with it, and a railway station, even, which had two borders of it in flower throughout April. You must try it, at least once. Perhaps, as so many experts claim, it does prefer a heavy soil, with or without lime. Perhaps it likes to be in country air, not in a town. But there are no rules, except that it would be foolish not to try, say, three, one in a low wet place, one in a high sunny place, and one, like mine, where you can forget it. If all three flower, I would be glad to hear of it.

If Acaulis is too stubborn for you, there are other choices, just as attractive and never too easy or common to be taken for granted. The smaller Star Gentian, called Verna, troubled our grandfathers, if their gardening correspondents are a guide to their real gardens. They piped water to its roots, sheltered it, never dreamed of kicking it or crowding it. They used to keep a diary in red of its dates and flowers. I do not find it difficult. It likes lime, and rich, open soil, and reasonable drainage. The starry flowers are an intense blue, unforgettable if you mass them in a stone sink, low trough, or similarly raised container. In their second year, they may flower so freely that they die back. Be warned, and pick off a few buds, if your plants seem to be too generous. This saves their lives. The seed should be left on a saucer in the fridge overnight, then sown at once. It will usually germinate freely. If I could have only one alpine plant, I think it would have to be Verna. Now is a good moment to buy one in a pot from a specialist alpine nursery. Ingwersens of East Grinstead, Sussex, or Elliot's of Broadwell, Gloucestershire.

For those on lime-free soil, who can grow Azaleas, there is an even better buy. The Chinese Gentians, mostly, flower in autumn, when their more upright trumpets are a lovely drift of deep blue, and easy planting which, however, is often missed by those with the right soil for it. There is still just time to buy the most vigorous, called Sino-Ornata, in the unusual shape of a thong. A thong is a small division, usually with two roots, like the prongs on a tooth. Planted in spring in damp, acid soil, these thongs will send up a tuft of grassy leaves, and may even flower this autumn. They are easy, as long as they have no lime, and their colour is as good as any. At a height of six inches maximum, the flowers are an excellent mark on an edge. Ordinary plants can be bought, too, but 50 thongs, say, are better value. They multiply quickly and soon give you the most exquisite carpet. Ingwersens used to list them as a special offer, and Scottish nurseries, well-suited to their soil, will sell them in bulk. Jack Drake, at Inshriach, Aviemore, lists various hybrids and will no doubt book you for thongs, if you ask for them.

Germination

No doubt, you fortunate growers of Azaleas will have sheets of this trumpet-flower in the autumn: when asked by a Gentian freak, like myself, from the Midlands, whether he could grow a Chinese Gentian, a famous West Country gardener is said to have replied that he did not believe he had more than half a mile of it. Perhaps, too, you will have Acaulis in flower among the lettuces and think me far from greenfingered. But in a month or so, I can look forward, nonetheless, to trying out the tip which I have carried with me for seven years: in order to germinate seed from Acaulis's flowers, you should soak it for 24 hours in a saucer of water, then sow it at once. Perhaps the children of my one flower will be more obliging. Or perhaps that is only the next stage: tip after tip, useless as always, on how to persuade the wretched thing's seeds to come up.

Persepolis looks best

RACING

BY DOMINIC WIGAN

PETER WALWYN—who with Seraphima, Camden Town, Formidable, Be Sweet and Leonardo da Vinci, has either the first or second favourite in all five classics—has a bright chance of lifting to-day's feature event at Brighton, the Brighton Festival Handicap, with Persepolis.

This ultra-consistent Northfields colt, whose career figures read 2, 2, 2, 1, 3, 2, 1, almost certainly put up his best performance to date when running away with a competitive event at Epsom a week ago.

Although he has been penalised 7 lbs for that success, Lord Howard de Walden's colt won in such impressive fashion that I feel reasonably confident that he can again defy the handicapper.

Commander Bond, who won by three lengths from Dubois in a maiden event at Nottingham last September and was a two-length second behind Good Tune, to whom he was trying to concede 5 lbs in Doncaster's spring handicap last time out, looks like providing the chief threat to the Lambourn three-year-old.

Another in-form trainer, Paul Cole, seems likely to add to his already impressive tally on this hilltop course through Noble Heir in the 1¼-mile Ovingdean Handicap.

The winner of his only two races in the present campaign, this bay son of Duke of Ragusa, should prove too smart for Alfsboy, to whom he will be conceding only 4 lb.

Whatever their fate with Commander Bond, Captain Ryan Price and stable jockey Brian Taylor should have at least one winner on this, their local Flat track. Moving Picture, the all-the-way winner of Town Moor's Hall Gate handicap, appears weighted to win the Hurstpierpoint Handicap with 8 st 13 lb.

There is an evening jumping fixture at Cheltenham, where the most interesting events on a card confined to hunter chases seem to be the Mercedes Benz United Hunts' Challenge Cup and the Golden Harvest Hunter's Chase.

Mountolive, a fast-moving eight-year-old, whose three successive victories include a four-length course and distance success over Ten Up in the Charles Turner Challenge Cup at the transferred Gold Cup meeting, looks to be the evening's best bet in the Mercedes Benz, which he tackles in preference to the Golden Harvest race.

BRIGHTON

2.00—Kafue Park
2.30—Foul Fella
3.00—Persepolis***
3.30—Noble Heir
4.00—Moving Picture*
4.30—Northern Dynasty

CHELTENHAM

6.00—Mountolive**
6.35—Lady Annapurna
7.10—Crystal Gazer

Fight to safeguard common land

A CAMPAIGN to save the 500,000 acres of common land in England and Wales was launched yesterday by the Commons, Open Spaces and Footpaths Preservation Society.

The aim is to safeguard commons against development, to ensure a right of public access, and secure management agreements for commons.

Mr. Carol Johnson, the society's chairman, said the Royal Commission on Common Land had said 20 years ago that "all common land should be open to the public as of right." But even now, less than a third was open.

TV/Radio

† Indicates programmes in black and white

BBC 1

6.40-7.55 a.m. Open University. 9.38 For Schools, Colleges. 10.45 You and Me. 11.00 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Bagpuss. 2.01 For Schools, Colleges. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Bailey's Comets. 4.40 The Canal Children. 5.05 John Craven's Newsround. 5.10 Think of a Number.

5.40 News
5.55 Nationwide (London and South East only)
6.20 Nationwide
6.55 The Wednesday Film: "Banjo Hackett"
8.30 The Liver Birds
9.00 Liberal Party Political Broadcast
9.10 News
9.25 Dick Emery Show
10.10 Sportsnight
11.00 To-night
11.40-11.45 Weatherman Regional News

All Regions as BBC-1 except at the following times:—

Wales—5.10-5.40 p.m. Bilidowcar. 5.55-6.20 Wales To-day. 6.55 Heddiw. 7.15 The Rockford Files. 8.00-8.30 In Our Nature. 11.40 News and Weather for Wales.

Scotland—5.55-6.20 p.m. Reporting Scotland. 9.00-9.10 Party Political Broadcast by the Scottish Liberal Party. 10.10-11.00 Sportsnight. 11.40 News and Weather for Scotland.

Northern Ireland—3.53-3.55 p.m. Northern Ireland News. 5.55-6.20 Scene Around Six. 9.25-10.10 Spotlight. 11.40 News and Weather for Northern Ireland.

England—5.55-6.20 p.m. Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands To-day (Birmingham); Nationwide (London and South East); Points West (Bristol); South To-day (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 a.m. Open University
10.35 Gharbar
11.00 Play School
4.35 p.m. Open University
7.00 News on 2 Headlines
7.05 Mr. Smith's Flower Garden
7.30 Newsday
8.00 Robert Vas Film-maker 1931-1978
8.35 Landscapes of England
9.00 Party Political Broadcast
9.10 Call My Bluff
9.40 Play of the Week
11.20 Late News on 2
11.30 Arena: Art and Design

BBC-2 Scotland only—9.00-9.10 p.m. Party Political Broadcast by the Scottish Liberal Party.

LONDON

9.30 a.m. Schools Programmes. 12.00 Here Comes Mumfie. 12.10 p.m. Stepping Stones. 12.30 Sounds of Britain. 1.00 News plus FT index. 1.20 Help! 1.30 Crown Court. 2.00 After Noon. 2.25 General Hospital. 3.20 The Rolf Harris Show. 3.50 Paint Along with Nancy. 4.20 How. 4.45 A Bunch of Fives. 5.15 Emmerdale Farm.

5.45 News
6.00 Thames at 6
6.35 Crossroads
7.00 This is Your Life
7.30 Coronation Street
8.00 The Streets of San Francisco
9.00 Liberal Party Political Broadcast
9.10 Faces of Communism
10.10 News
10.40 The National Health
12.25 a.m. Close: Neville Jason reads a poem by Edwin Muir

All IBA Regions as London except at the following times:

ANGLIA

1.25 p.m. Anglia News. 2.00 Houseparty. 3.20 The Andy Williams Show. 5.15 Mr. and Mrs. 6.00 About Anglia. 8.00 Rafferty. 10.40 The Sweeney. 11.40 Celebrity Concert. 12.35 a.m. The Big Question.

ATV

1.20 p.m. ATV Newsdesk. 3.20 Beryl's Lot. 3.50 The Sullivans. 5.15 Mr. and Mrs. 6.00 ATV Today. 8.00 Quincy. 10.40 Citizens' Rights. 11.25 Drive-In.

BORDER

1.20 p.m. Border News. 2.00 Houseparty. 3.20 In Search Of. . . 5.15 Mr. and Mrs. 6.00 Lookaround Wednesday. 8.00 Rafferty. 10.40 The Sweeney. 11.40 Gibbsville. 12.35 a.m. Border News Summary.

CHANNEL

1.18 p.m. Channel Lunchtime News. 3.25 Friends of Man. 6.00 Channel News. 6.10 Castaway. 8.00 Rafferty. 9.00 Review. 10.38 Channel Late News. 10.42 The Sweeney. 11.40 Just Friends. 12.35 a.m. News and weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 3.20 Paint Along with Nancy. 3.50 Survival. 6.00 Grampian Today. 8.00 Rafferty. 10.40 The Sweeney. 11.40 An Audience with Jasper Carrott. 12.10 a.m. Reflections. 12.15 Grampian Headlines.

GRANADA

1.20 p.m. This Is Your Right. 3.20 Untamed World. 5.10 This Is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Mr. and Mrs. 8.00 Rafferty. 10.40 Ally's a Lancashire Lad. 11.10 Late Night Thriller.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 3.20 Survival. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Havoc. 8.00 Club Mirror Acts of the Year. 10.40 The Sweeney. 11.40 Man and Woman. 12.10 a.m. The Practice.

HTV Cymru/Wales—As HTV general service except: 1.20-1.25 Penawdau Newyddion y Dydd. 4.20 Miri Mawr. 4.30-4.45 Un Tro. 6.00-6.15 Y Dydd.

HTV West—As HTV general service except: 1.20-1.30 Report West Headlines. 6.00-6.30 Report West.

SCOTTISH

1.25 p.m. News and road report. 2.00 Women Only. 3.20 Paint Along with Nancy. 3.50 Mr. and Mrs. 5.15 Teatime Tales. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Report. 8.00 Quincy. 9.00 Party Political Broadcast by the Scottish Liberal Party. 10.40 English National Opera Gala. 11.45 Pro-Celebrity Snooker. 12.25 a.m. Late Call.

SOUTHERN

1.20 p.m. Southern News. 2.00 Houseparty. 3.20 Emma. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Day by Day. 10.40 The Sweeney. 11.40 Southern News Extra. 11.50 The Butlin's Grand Masters Darts Championship. 12.20 a.m. Weather forecast followed by Survival in Belfast.

TYNE TEES

1.20 p.m. North East News. 2.00 Women Only. 3.25 The Odd Couple. 5.15 Happy Days. 6.00 Northern Life. 8.00 Rafferty. 10.40 The Sweeney. 11.40 Landscape. 12.10 a.m. Epilogue.

ULSTER

1.20 p.m. Lunchtime. 3.20 Out of Town. 4.18 Ulster News Headlines. 5.15 Solo One. 6.00 Ulster Television News. 6.05 Crossroads. 6.30 Reports. 8.00 Rafferty. 10.45 The Sweeney. 11.40 Horses in our Blood. 12.05 a.m. Bedtime.

WESTWARD

1.20 p.m. Westward News Headlines. 3.25 Friends of Man. 6.00 Westward Diary. 8.00 Rafferty. 10.38 Westward Late News. 10.40 The Sweeney. 11.40 Just Friends. 12.35 a.m. Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 3.20 Houseparty. 5.15 Mr. and Mrs. 6.00 Calendar (Emley Moor and Belmont editions). 8.00 Rafferty. 10.40 The Sweeney. 11.40 Darts.

RADIO 1 247m

(S) Stereophonic broadcast

5.00 a.m. As Radio 2. 7.02 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 12.30 Newsbeat. 2.00 p.m. Tony Blackburn. 4.31 Kid Jensen including 5.30 Newsbeat. 7.00 Girl Talk. 7.30 Sports Desk (joins Radio 2). 10.02 John Peel (S). 12.00-2.02 a.m. As Radio 2.

VHF Radios 1 and 2: 5.00 a.m. With Radio 2 including 1.55 Good Listening. 10.00 p.m. With Radio 1. 12.00-2.02 a.m. With Radio 2.

RADIO 2 1,500m and VHF

5.00 a.m. News Summary. 5.02 Richard Vaughan with The Early Show (S) including 6.15 Pause for Thought. 7.32 Ray Moore (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 10.02 Jimmy Young (S). 12.15 p.m. Waggoners' Walk. 12.30 Pete Murray's Open House (S) including 1.45 Sports Desk. 2.30 David Hamilton (S) including 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.50 John Dunn (S) including 5.45 Sports Desk. 6.40 Conservative Party Political Broadcast. 6.45 Sports Desk. 7.02 Sing Something Simple (S). 7.30 Sports Desk. 7.33 Listen to the Band (S). 8.30 Semprini Serenade (S). 9.02 Portrait of Piaf. 9.55 Sports Desk. 10.02 Morecambe and Wise. 10.30 Hubert Gregg. 11.02 Brian Matthew introduces Round Midnight, including 12.00 News. Tennis: World Championship Doubles Tournament. 2.00-2.02 a.m. News.

RADIO 3 464m, Stereo & VHF

†Medium Wave only

†6.55 a.m. Weather. 7.00 News. 7.05 Your Midweek Choice (S). 8.00 News. 8.05 Your Midweek Choice part 2 (S). 9.00 News. 9.05 This Week's Composer: Stravinsky and the Ballet (S). 9.40 Organ Recital (S). 10.15 Bartok and Schubert (S). 11.30 Ives and Poulenc Songs (S). 12.05 p.m. Midday Concert (S). 1.00 News. 1.05 Concert Hall: Piano recital: Janacek, Schumann, Smetana (S). 2.00 The Exotic Sound of . . . (S). 2.05 BBC Scottish Symphony Orchestra: Fauré, Berg, Schumann (S). 3.25 York Festival 1978, part 1: Lutyens, Mozart (S). 4.00 Interval Reading. 4.05 York Festival 1978, part 2: Birtwistle, Janacek. 4.55 Building a Library (S). †5.45 Homeward Bound. †6.05 News. †6.10 Homeward Bound (continued). †6.30 Lifelines: Language and Communication. 7.30 Sir William Glock: 70th Birthday Concert, part 1: Mozart, Debussy, Saxton (S). 8.20 The Arts Worldwide. 8.40 Birthday Concert, part 2: Boulez (S). 9.30 Scientifically Speaking. 10.15 Janacek. 11.05 Some Prospects of Paradise. 11.25 News. 11.30-11.35 Tonight's Schubert Song.

Radio 3 VHF only: 6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

6.15 a.m. News. 6.17 Farming Today. 6.35 Up to the Hour. 7.00 News. 7.10 Today. 7.35 Up to the Hour (continued). 8.00 News. 8.10 Today. 8.35 Yesterday in Parliament. 9.00 News. 9.05 The Living World. 9.35 Songbook. 10.00 News. 10.05 In Britain Now. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 This Way to Shangri-La. 11.50 Vikings, Scots and Scrawlines. 12.00 News. 12.02 p.m. You and Yours. 12.27 The Enchanting World of Hinge and Bracket. 12.55 Weather and programme news. 1.00 The World at One: News. 1.30 The Archers. 1.45 Woman's Hour including 2.00-2.02 News. 2.45 Listen with Mother. 3.00 News. 3.05 Afternoon Theatre (S). 3.50 Choral Evensong. 4.35 Story Time. 5.00 PM Reports. 5.40 Serendipity. 5.55 Weather and programme news. 6.00 News. 6.30 Quote . . . Unquote (S). 7.00 News. 7.05 The Archers. 7.20 File on 4. 8.00 The Road to Carey Street. 9.00 Science Now. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Frank Muir Goes into . . . Popular Music. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News; Weather report and forecast.

BBC Radio London

206m and 94.9 VHF

5.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 London Live. 11.03 In Town. 12.03 p.m. Call In including 1.00 London News Desk. 2.03 206 Showcase. 4.03 Home Run including London News Desk. 6.10 Look, Stop, Listen (as Tuesday). 7.30 In Town (as 11.03 a.m.). 8.30 In Concert. 10.03 Late Night London. 12.00 As Radio 2. 12.05 a.m. Question Time from the House of Commons. 1.00 a.m.-Close As Radio 2.

London Broadcasting

261m and 97.3 VHF

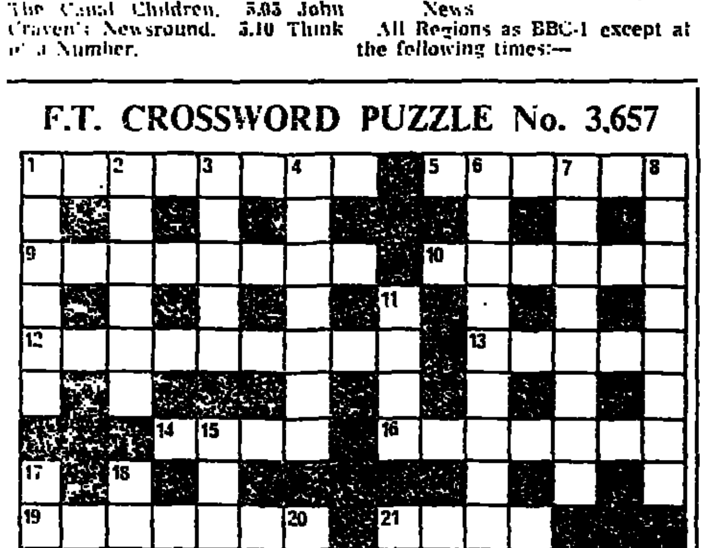
5.00 a.m. Morning Music. 6.00 A.M.: non-stop news. 10.00 Brian Hayes. 1.00 p.m. LBC Reports with George Gale's 3 O'Clock Call. 8.00 After 8—with Ian Gilchrist. 9.00 Nightline. 1.00-5.00 a.m. Night-Extra with Adrian Scott.

Capital Radio

194m and 95.8 VHF

6.00 a.m. Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 p.m. Roger Scott (S). 7.00 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Your Mother Wouldn't Like It with Nicky Horne (S). 11.00 Tony Myatt's Late Show (S). 2.00 a.m. Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 3,657



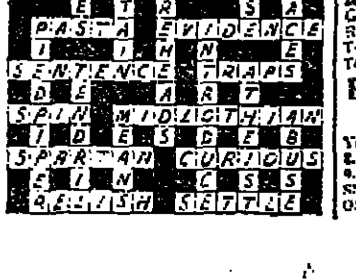
ACROSS

1 Sign of snake seen on the Thames annually (8)
5 Quash for a drink (6)
9 Bounding with energy but in for a roach ride? (8)
10 Peril arising from garden (6)
12 Disfigurement in class accepted by God (9)
13 Bring up a shark (5)
14 Wood for box (4)
16 Time certain to produce a cancellation (7)
19 Wave seen right inside a large glass vessel (7)
21 Gas turned to zero for a pudding (4)
24 Where there's water to drink or duck a little sister (5)
25 Vehicle is seen in storm needing cover (9)
27 Mother returns to get the better of a hot-headed person (6)
28 One who calculates or is ready to do so (8)
29 Stopping work on hedge (3-3)
30 Pack a thoroughfare to get a free trip (8)

DOWN

1 Happen to be tied in knots (6)
2 Cut loose like a doctor with one foot (6)
3 Monarch who gives good measure (5)
4 Money that is right in sack (7)
6 Convicts a changing arrangement (5-4)
7 Food for feline fool (5-3)
8 Meet Arab people (8)
11 Instrument used in early recordings (4)
15 Weapon for fish workers (9)
17 Eccentric sailor Norma left (8)
18 Daft as ye may be at holiday time (5-3)
20 Scrap with Oriental in storm (4)
21 Having money for dry-cleaning fluid (7)
22 Cut the grass around pub and fish (6)
23 Gamble and beam but be treacherous (6)
26 Question East and West obliquely (5)

SOLUTION TO PUZZLE No. 3,656



ENTERTAINMENT GUIDE

CC—These theatres accept certain credit cards by telephone or at the box office.

OPERA & BALLET

COLISEUM. Credit cards 01-240 5258. Reservations 01-836 3161. ENGLISH NATIONAL OPERA Ton't & Wed. next 7.30 La Traviata: Tomor. 7, Sat. & Tue. next 7.30 The Two Foscari: Fri. 7 Carmen (final perf.). 104 balcony seats always available day of performance.

COVENT GARDEN. CC. 240 1066. (Gardencharge credit cards 836 6903). THE ROYAL OPERA Tomorrow & Sat. 7.00 Le Nozze di Figaro. Fri. 7.00 Otello. Mon. 7.30 Peter Grimes. 65 Amphi seats for all perfs. on sale from 10 a.m. on day of perf.

SADLER'S WELLS THEATRE. Rosebery Ave. EC1. 837 1672. Until 13 May. SADLER'S WELLS ROYAL BALLET. Evgs. 7.30. Sat. Mats 2.30. Ton't. & Tomor. The Dream. The Outsider. Brouillards. Fri., Sat. & Mon. next. La Fille mal gardée. Tue. next. Concerto Barocco. Rashomon. The Dream.

THEATRES

ADELPHI THEATRE. CC. 01-836 7611. Evgs. 7.30. Mats. Thurs. 3.00. Sat. 4.00. IRENE THE BEST MUSICAL OF 1976 1977 and 1978! IRENE "LONDON'S BEST NIGHT OUT." Sunday People ALREADY SEEN BY NEARLY ONE MILLION HAPPY THEATREGOERS. CREDIT CARD BOOKINGS 836 7611.

ALBERY. 836 3878. Party Rates. Credit card bkgs. 836 1071-2 (from 9 a.m. to 6 p.m.) Mon., Tues., Wed. and Fri. 7.45 p.m. Thurs and Sat. 4.30 and 8.00. "A THOUSAND TIMES WELCOME IS LIONEL BART'S MIRACULOUS MUSICAL." Fin. Times. OLIVER with ROY HUDD and JOAN TURNER "CONSIDER YOURSELF LUCKY TO BE ABLE TO SEE IT AGAIN." Daily Mirror.

ALDWYCH. 836 6404. Info. 836 5332. ROYAL SHAKESPEARE COMPANY in repertoire. Tonight 7.30 HENRY VI Part 3 "one can only marvel" D. Mail. With: HENRY V (tomor.). HENRY VI Part 1 (Fri.). Part 2 (Sat. mat.). Part 3 (Sat. eve.). RSC also at THE WAREHOUSE (see under W) and at Piccadilly Theatre in Peter Nichols PRIVATES ON PARADE.

AMBASSADORS. 01-836 1171-3212 Until Saturday Evenings at 8.0. Mats. Sats. 3.0 BERIOSOVA. GEILGUD. KELLY. NORTH STEPS NOTES AND SQUEAKS Fresh insight into the nature of Ballet.

APOLLO. 01-437 2663. Evenings 8.00. Mats. Thurs. 3.00. Sat. 5.00 and 8.00. DONALD SINDEN Actor of the Year, E. Std. "IS SUPERB." N.o.W. SHUT YOUR EYES AND THINK OF ENGLAND "WICKEDLY FUNNY." Times.

ARTS THEATRE. 01-836 2132. TOM STOPPARD'S DIRTY LINEN "Hilarious . . . see it." Sunday Times Monday to Thursday 8.30. Friday and Saturday at 7.00 and 9.15.

ASTORIA THEATRE (Charing X Rd. (with fully licensed Restaurant). 01-734 4291. Nearest tube Tottenham Ct. Rd. Mon.-Thurs. 8.00 p.m. Fri. and Sat. 6.00 and 8.45. Instant credit card booking. ELVIS "Infectious, appealing, foot-stomping and heart-thumping." Observer. ELVIS Seat prices £1.50-£5.50. Dinner-top price seat £9.50. Half hr. before show any available top price tickets £2.50. Mon.-Thurs. and Fri. 6.0 p.m. perf. only. BEST MUSICAL OF THE YEAR EVENING STANDARD AWARD

CAMBRIDGE. 836 6056. Mon. to Thurs. 8.00. Fri., Sat. 5.45 and 8.30. IPI TOMBI Exciting Black African Musical "It's a foot-stomping, pulsating action-packed musical." News of the World. THIRD GREAT YEAR Dinner and top-price seat £8.75 incl.

COMEDY. 01-930 2578. Evening 8.0. Thurs. 3.0. Sat. 5.30, 8.30. MOIRA LISTER, TONY BRITTON Margaret COURTENAY, Dermot WALSH THE HIT COMEDY THRILLER MURDER AMONG FRIENDS "Blackmail, armed robbery, double bluff and murder." Times. "A good deal of fun." Evening News.

CRITERION. CC. 930 3216. Evenings 8.0. Sats. 5.30, 8.30. Thur. 3.0. LESLIE PHILLIPS in SIX OF ONE (formerly "Sextet") "VERY FUNNY." S. Tel. SECOND HILARIOUS YEAR

DRURY LANE. 01-836 8108. Every night 8.00. Matinee Wed. and Sat. 3.00. A CHORUS LINE "A rare, devastating, joyous, astonishing stunner." Sunday Times.

DUCHESS. 836 8243. Mon. to Thurs. Evgs. 8.0. Fri., Sat. 6.15 and 9.00. OH! CALCUTTA! "The Nudity is stunning." Daily Tel. 8th Sensation Year.

DUKE OF YORK'S. 01-836 5122. Evgs. 8.0. Mat. Wed. and Sat. at 3.00. JOHN GIELGUD in Julian Mitchell's HALF-LIFE A NATIONAL THEATRE PRODUCTION "Brilliantly witty . . . no one should miss it." Harold Hobson Drama. Instant credit card reservations. Dinner and top-price seat £7.00.

FORTUNE. 836 2238. Evgs. 8.0. Thurs. 3. Sat. 5.00 and 8.00. Muriel Pavlow as MISS MARPLE in AGATHA CHRISTIE'S MURDER AT THE VICARAGE Third Great Year.

GARRICK THEATRE. 01-836 4601. Evgs. 8.0. Mat. Wed. 3.0. Sat. 5.30, 8.30. TIMOTHY WEST GEMMA JONES MICHAEL KITCHEN in HAROLD PINTER'S THE HOMECOMING "BRILLIANT—a taut and excellently acted production." D. Tel. "An inexhaustibly rich work." Gdn. "Not to be missed." Times.

GLOBE THEATRE. 01-437 1592. Evgs. 8.15. Wed. 3.0. Sat. 6.0, 8.40. PAUL EDDINGTON, JULIA McKENZIE BENJAMIN WHITROW in ALAN AYCKBOURN'S New Comedy TEN TIMES TABLE "This must be the happiest laughter maker in London." D. Tel. "An irresistibly enjoyable evening." Sunday Times.

GREENWICH THEATRE. 858 7755. Evgs. 7.30. Mat. Sat. 2.30. ARMS AND THE MAN. A Comedy by George Bernard Shaw. "Felicity Kendal in her best performance to date." Observer.

HAYMARKET. 01-930 9832. Evgs. 8.00. Mats. Weds. 2.30. Sats. 4.30 and 8.00. INGRID BERGMAN WENDY HILLER DEREK GODFREY DORIS HARE FRANCES CUKA in WATERS OF THE MOON "Ingrid Bergman makes the stage radiate—unassailable charisma." Daily Mail. "Wendy Hiller is superb." Sun. Mirror.

HER MAJESTY'S. CC. 01-930 6606. Evening 8.00. Mats. Wed. and Sat. 3.00. BRUCE FORSYTH in LESLIE BRICUSSE and ANTHONY NEWLEY'S TRAVELLING MUSIC SHOW with Derek Griffiths Directed by BURT SHEVELOVE "It is packed to bursting point with the personality and sheer energy of Bruce Forsyth." Sun. Express. "The audience cheered." Sunday Telegraph.

KING'S ROAD THEATRE. 352 7488. Mon to Thurs. 9.0. Fri., Sat. 7.30, 9.30. THE ROCKY HORROR SHOW NOW IN ITS 5th ROCKING YEAR THE GREAT ROCK 'N' ROLL MUSICAL

LONDON PALLADIUM. CC. 01-437 7373. Opening Thursday, May 25 at 7 for the Summer Season (to August 19 only). Subs. Mon., Tues., Thurs. & Fri. at 8. Wed. & Sats. at 6.10 & 8.50. RONNIE BARKER RONNIE CORBETT THE TWO RONNIES in a spectacular COMEDY REVUE with great international company ALL SEATS BOOKABLE NOW £4.50, £3.75, £3.00, £2.50, £1.50 Special Booking Hotline 437 2055

LYRIC THEATRE. CC. 01-437 3686. Eve. 8.0. Mats. Thurs. 3.0. Sat. 5.0 and 8.30. JOAN PLOWRIGHT COLIN BLAKELY and PATRICIA HAYES in FILUMENA by Eduardo Filippo Directed by FRANCO ZEFFIRELLI "TOTAL TRIUMPH." D. Mirror. "MAY IT FILL THE LYRIC FOR A HUNDRED YEARS." Sunday Times.

MAY FAIR. CC. 629 3036. Mon. to Fri. 8.0. Sat. 5.30 and 8.45. GORDON CHATER "Brilliant" E.N. in THE ELOCUTION OF BENJAMIN FRANKLIN By Steve J. Spears "A compassionate, funny, fiercely eloquent play." Gdn. "Hilarious." E.Std. "Wickedly amusing." E. News. "Spellbinding." Obs.

MERMAID. 248 7656. Restaurant 248 2835. Tom Conti, Jane Asher in WHOSE LIFE IS IT ANYWAY? THE NEW SMASH HIT ACCLAIMED BY EVERY CRITIC Evgs. 8.15. Fri. and Sat. 5.15 ALEC McCOWEN'S ST. MARK'S GOSPEL every Sun. until June 11 at 7.30. And Mon. and Tues. from May 15.

NATIONAL THEATRE. 928 2252. OLIVIER (open stage): Ton't 7.30. Tomor. 2.45 & 7.30 THE CHERRY ORCHARD by Chekhov trans. by Michael Frayn. LYTTELTON (proscenium stage): Ton't 7.45 THE GUARDSMAN by Molnar. English version by Frank Marcus. Tomor. 7.45 Bedroom Farce. COTTESLOE (small auditorium): Fri. 8 DON JUAN COMES BACK FROM THE WAR by Horvath trans. by Christopher Hampton. Many excellent cheap seats all 3 theatres day of perf. Car park. Restaurant 928 2033. Credit card bkgs. 928 3052.

OLD VIC. 928 7616. PROSPECT AT THE OLD VIC. New season to May 20. Eileen Atkins as SAINT JOAN "a stunning production" Sunday Telegraph Today. Thurs. 7.30 TWELFTH NIGHT "an outstanding revival" The Times. Fri 7.30. Sat. 2.30 & 7.30. Sunday at The Old Vic, May 14, Timothy West, Prunella Scales in SMITH OF SMITHS. International Season, Lila Kedrova, Jean Marais in LES PARENTS TERRIBLES. May 22-27. THE TURKISH CLOGS. May 29-June 3. La Barca restaurant opposite The Old Vic open before or after the show.

OPEN AIR. Regent's Park. 486 2431. A MIDSUMMER NIGHT'S DREAM from 29th May; Bernard Shaw's THE MAN OF DESTINY and THE DARK LADY OF THE SONNETS joins repertoire July 17.

PHOENIX. 01-836 2294. Evenings 8.15. Friday and Saturday 6.0 and 8.40. "TIM BROOKE-TAYLOR, GRAEME GARDEN makes us laugh." D. Mail in THE UNVARNISHED TRUTH The Hit Comedy by ROYCE RYTON. "LAUGH, WHY I THOUGHT I WOULD HAVE DIED." Sun. Times. "SHEER DELIGHT." E. Stand. "GLORIOUS CONTINUOUS LAUGHTER." Times.

PICCADILLY. 437 4506. Credit card bkg. 836 1071-2. 9 a.m.-6 p.m. Eves. 8.00. Sat. 4.45 and 8.15. Wed. Mat. 3.00. BEST COMEDY OF THE YEAR Evg. Standard Award and SWET Award. Royal Shakespeare Company in PRIVATES ON PARADE by Peter Nichols (Not suitable for children) "HUGELY ENTERTAINING EXTRAVAGANZA." S. Times. RSC also at Aldwych and Warehouse

PRINCE EDWARD. CC. (Formerly Casino). 01-437 6877 Previews from June 12. Open June 21 EVITA

PRINCE OF WALES. CC. 01-930 8681. Monday to Friday at 8 p.m. Sat. 5.30 and 8.45. Mat. Thurs. 3.00. "HILARIOUS COMEDY MUSICAL." The Sun ROBIN ASKWITH in I LOVE MY WIFE "NAUGHTY BUT NICE WITH A LOT OF LAUGHS." News of the World. CREDIT CARD BOOKINGS 01-930 0846.

QUEEN'S THEATRE. CC. 01-734 1166. Evenings at 8.00. Sat. at 5.0 and 8.30. ALEC GUINNESS BEST ACTOR OF THE YEAR Variety Club of GB Award THE OLD COUNTRY A New Play by ALAN BENNETT Directed by CLIFFORD WILLIAMS BEST PLAY OF THE YEAR. Plays and Players London critics award.

RAYMOND REVUEBAR. CC. 01-734 1593 at 7 p.m., 9 p.m., 11 p.m. (open Sun.) PAUL RAYMOND presents THE FESTIVAL OF EROTICA Fully Air Conditioned. You may drink and smoke in the auditorium.

REGENT THEATRE. 01-637 9863. Opens May 15. Reduced price previews from May 11. THE CLUB A musical diversion.

ROYAL COURT. 01-730 1745. Previews from Friday at 8 p.m. THE GLAD HAND by Snoo Wilson. World Premiere.

ROYALTY. Credit Cards. 01-405 8004. Monday-Thursday Evenings 8.00. Friday 5.30 and 8.45. Saturdays 3.00 and 8.00. London critics vote BILLY DANIELS in BUBBLING BROWN SUGAR Best Musical of 1977 Bookings accepted. Major credit cards. Special reduced rates for matinees (for a limited period only).

SAVOY. 01-836 8888. Nightly at 8.00. Mats. Wed. 2.30. Sat. 5.00 and 8.00. PATRICK CARGILL and TONY ANHOLT in SLEUTH The World-famous Thriller by ANTHONY SHAFFER. "Seeing the play again is in fact an utter and total joy." Punch. Transferring to Ambassadors May 9.

SAVOY. 01-836 8888. Opens May 10. RALPH RICHARDSON Michael GAMBON, Michael JAYSTON, Gary BOND, Joanna VAN GYSEGHEM Geoffrey KEEN in ALICE'S BOYS

SHAFTESBURY. CC. 836 6596. Shaftesbury Ave WC2 (High Holborn end) Evgs. at 8.00. Mats. Thurs. Sat. 3.00. JOHN REARDON and JOAN DIENER in KISMET "A SMASH HIT. THIS MUSICAL HAS EVERYTHING." S. Mirror CREDIT CARD BOOKING 836 6597

SHAW THEATRE. 01-388 1394. ROOTS by Arnold Wesker Prevs. Fri. and Sat. 7.30 All Seats £1.00. Opens Mon. at 7.00.

STRAND. 01-836 2660. Evenings 8.00. Mat. Thurs. 3.00. Sats. 5.30 and 8.30. NO SEX PLEASE—WE'RE BRITISH THE WORLD'S GREATEST LAUGHTER MAKER

STRATFORD-UPON-AVON. Royal Shakespeare Theatre. (0789 2271). Tickets immediately available for RSC in The Taming of the Shrew to-day (mat.), tonight, May 11 (mat.). The Tempest May 8, 9, 16. Recorded booking info. (0789 69191).

ST. MARTIN'S. CC. 836 1443. Evs. 8.00. Mat. Tues. 2.45. Sats. 5 and 8. AGATHA CHRISTIE'S THE MOUSETRAP WORLD'S LONGEST-EVER RUN 26th YEAR

TALK OF THE TOWN. CC. 734 5051. 8.00. Dining Dancing 9.30. Super Revue RAZZLE DAZZLE and at 11 p.m. FRANKIE STEVENS

THEATRE UPSTAIRS. 01-730 2554. Tuesday-Sunday 7.30 SHARED EXPERIENCE in BLEAK HOUSE by Charles Dickens (In 4 parts. In Repertoire.)

VAUDEVILLE. 836 9988. CC. Evs. at 8.0. Mat. Tues. 2.45. Sat. 5 and 8. Dinah SHERIDAN, Dulcie GRAY Eleanor SUMMERFIELD, James GROUT A MURDER IS ANNOUNCED THE NEWEST WHODUNNIT by AGATHA CHRISTIE "Re-enter Agatha with another whodunnit. Agatha Christie is stalking the West End yet again with another of her fiendishly ingenious murder mysteries." Felix Barker. Evening News.

VICTORIA PALACE. 01-834 1317. STRATFORD JOHNS SHEILA HANCOCK ANNIE A NEW MUSICAL BROADWAY'S BIGGEST HIT Opens Tonight 7. Subs. Evgs. 7.30. Mats. Wed. & Sat. 2.45

WAREHOUSE. Donmar Theatre, Covent Garden. 836 6808. Royal Shakespeare Company Ton't. 8.00 Paul Thompson's The Lorenzaccio Story (sold out). Adv. Bkgs. Aldwych.

WESTMINSTER. 01-834 0283. SENTENCED TO LIFE by Malcolm Muggeridge and Alan Thornhill. Previews from May 9. Opens May 17.

WHITEHALL. 01-930 6692-7765. Evgs. 8.30. Fri. and Sat. 6.45 and 9.00. Paul Raymond presents the Sensational Sex Revue of the Century. DEEP THROAT Due to overwhelming public demand. Season extended.

WINDMILL THEATRE. CC. 01-437 6312. Twice Nightly 8.00 and 10.00. Open Sundays 6.00 and 8.00. PAUL RAYMOND presents RIP OFF THE EROTIC EXPERIENCE OF THE MODERN ERA "Takes to unprecedented limits what is permissible on our stages." Evg. News. You may drink and smoke in the Auditorium.

WYNDHAM'S. 01-836 3028. Credit Card. Bkgs. 836 1071-2 from 9 a.m. to 2 p.m. Mon.-Thurs. 8. Fri. and Sat. 5.15, 8.30. "ENORMOUSLY RICH VERY FUNNY." Evening News. Mary O'Malley's smash-hit Comedy ONCE A CATHOLIC "Supreme comedy on sex and religion." Daily Telegraph. "MAKES YOU SHAKE WITH LAUGHTER." Guardian.

YOUNG VIC (near Old Vic). 928 6363. Tonight 7.45 Royal Shakespeare Company in MACBETH. (This week sold out, any returns on door.)

CINEMAS

ABC 1 & 2, SHAFTESBURY AVE. Sep. Perfs. ALL SEATS BKBLE. 1. The Goodbye Girl (A). Wk. & Sun. 2.00, 5.10, 8.10. 2. Sweeney 2 (AA). Wk & Sun. 2.00, 5.10, 8.10.

CAMDEN PLAZA (opp. Camden Town Tube). 485 2443. Melville's classic Resistance thriller THE ARMY IN THE SHADOWS (AA). 3.10, 5.45, 8.25.

CLASSIC 1, 2, 3, 4, Oxford St. (Opp. Tottenham Court Rd. Tube). 636 0310. 1. Bertolucci's 1900 Part 1 (X). Pgs. 2.15, 5.15, 8.15. 2. John Thaw, Dennis Waterman, SWEENEY 2 (AA). CHARIOTS OF THE GODS (U). Pgs. 2.0, 4.55, 7.55. 3. George Burns, "OH GOD." (A). Pgs. 2.00, 4.15, 6.30, 8.45. 4. Bertolucci's 1900 Part 2 (X). Pgs. 2.30, 5.20, 8.15.

CURZON, Curzon Street W.1. 499 3737. PARDON MON AFFAIRE (X). (English sub-titles). "A sparkling New French Comedy. Directed with finesse by Yves Robert." S. Express. Progs. 1.50 (not Sun.) 3.35, 6.10, 8.30 (4th month).

LEICESTER SQUARE THEATRE (930 5252) Shirley MacLaine, Anne Bancroft, Mikhail Baryshnikov in a Herbert Ross film THE TURNING POINT (A). Progs. Wk. 1.05, 4.30, 8.10.

ODEON, Haymarket. (930 2738 2771.) Jane Fonda, Vanessa Redgrave in a Fred Zinnemann film JULIA (A). Sep. Progs. Dly. 2.30, 5.45, 8.45. Feature Dly. 2.45, 6.00, 9.00. All seats bkble at Theatre.

ODEON, Leicester Square. (930 6111.) CLOSE ENCOUNTERS OF THE THIRD KIND (A). Sep progs. Dly. Doors open 10.00 (Sat. only). 1.05, 4.15, 7.45. Late perfs. Tues-Sats. Doors open 11.15 p.m. All seats may be booked except 10.00 a.m. prog.

ODEON, Marble Arch. (723 2011 2). STAR WARS (U). Doors open Dly. 1.30, 4.35, 7.50. All seats bkble, except 1.30 perf. Wks.

PRINCE CHARLES, Leic. Sq. 437 8181. SWEPT AWAY. Sep. Perfs. Dly. (inc Sun.). 2.10, 2.25, 8.40. Seats Bkble. Lic'd Bar.

SCENE 1 & 2, Leic. Square (Wardour St.) 439 4470. 1. Woody Allen's EVERYTHING YOU ALWAYS WANTED TO KNOW ABOUT SEX (X). 2.50, 6.00, 9.15. BANANAS (AA). 1.15, 4.25, 7.40. 2. George Burns, John Denver. OH GOD! (A). Progs. 1.15, 3.45, 6.15, 8.45.

STUDIO 1, 2, 3, 4, Oxford Circus. 437 3300. 1. Gene Wilder as THE WORLD'S GREATEST LOVER (A). Progs. 2.55, 4.35, 6.45, 8.50. 2. THE GOODBYE GIRL (A). Progs. 12.45, 2.45, 5.25, 8.05. 3. THE MAN WITH THE GOLDEN GUN (A). 3.40, 8.10. LIVE AND LET DIE (A). 1.30, 5.55. 4. Woody Allen: Diane Keaton Double Bill SLEEPER (A) 2.35, 5.50, 9.05. LOVE AND DEATH (A) 1.00, 4.15, 7.30.

CLUBS

EVE, 189, Regent Street. 734 0557. A la Carte or All-in Menu. Three Spectacular Floor Shows 10.45, 12.45 and 1.45 and music of Johnny Hawkesworth & Friends.

GARGOYLE, 69, Dean Street, London, W.1. NEW STRIPTEASE FLOORSHOW THE GREAT BRITISH STRIP Show at midnight and 1 a.m. Mon.-Fri. Closed Saturdays. 01-437 6455.

هكذا مضى الأجل

May 3 '78

Television

Old News at Ten

by CHRIS DUNKLEY

Although the news pro- ammes claimed a dispropor- onate amount of attention ring the past 10 days, it has en a remarkable period for levision in at least eight other spects: there have been four itable beginnings and four itable endings.

We saw the beginning of the ort series *Faces Of Com- unism* from Yorkshire TV, in ich Robert Kee combined the proach and the skills of the iter and the broadcaster to exactly what was needed in programme about Yugoslavia. e related the general to the rticular; looked behind the miliar public image at the ivate one (though it would ve been good to know how the atured *family* was chosen) and us filled much of the gap tween *political dogma* and ivate life.

We saw the end of *Men Of* *as*, BBC2's startlingly am- ious series about modern stern philosophy. The pre- nter, Bryan Magee, has been tigated for contributing over- g and over-frequent questions the *discussions, and indeed* ere were occasional comic nents as when one of his estions to Iris Murdoch ran to ouple of hundred words or so her reply was "Yes."

et Magee's contributions have ost invariably been more erent than those of his guests. in several cases the pro- mmes would have been im- ved if the philosophers or hers in question had been ent altogether and the cription of their ideas left irely to Magee who has for rs been one of the very best the serious presenters on vision.

n *The Knights Of Malta* John ius Norwich and producer neth Shepheard started a series of BBC 2's ronicle" with a bang, by ing film of historic docu- ts, objects and paintings with of surviving locations and wich's narrative to tell a d, violent tale of Christian hts and infidel hordes that pure Henty.

ually vivid and violent was last part of *Law And Order* C 2 again) in which the in was finally broken by a *on* system which was depicted uite accurately in my limited sickening experience — as ing deliberately to break er than rehabilitate pri- rs. In the brouhaha over the th" or otherwise of this s, its achievement as drama has *tended to go unacknowledged*. The whole was greater than *the sum of the four parts*, and history will surely show that *producer Tony Garnett has left* yet another milestone on the television drama road that has led from *Cathy Come Home* via *The Lump* and *Days Of Hope* to to-day.

However, another of the week's beginnings, ATV's *Scorpion Tales*, was less like a milestone than a millstone which ground out little lumps of dirt. "Easterman" was quite the nastiest first episode of anything that it has been my misfortune to see for a *long time*; plot, characters, and language were all gratuitously *offensive*.

In the London area we saw the end of Thames Television's series *Mavis*, named after its *presenter Mavis Nicholson*, an admirable set of talk programmes *halfway between* the chat show (but *Mavis* was blessedly free of plastic celebrities peddling their plastic wares) and the God-slot (though *Mavis* was also *free of cant*). Mavis Nicholson is full of delightful common sense, and because she is so obviously genuinely interested in the answers to her questions—about life and death, love and hate, little things of that sort—she refreshes the interest of the viewer. A further series and national distribution are in order.

The week's most *tantalising* ending for me was that of *Heads and Tails* (BBC2 yet again) since the first seven episodes in *this little series about coins* escaped me entirely. Eighth and *last was "Make Your Own* Money" about the appearance of copper *tokens in the late 18th* century. Though the production *was simple to the point of spare*ness—just presenter Robert *Erskine intercut with close-ups* of the coins—it made its simple *story quite fascinating*.

And the most promising beginning of the week was *The People Show* in a pilot edition which London Weekend only decided to transmit at the eleventh hour, so that it went out unscheduled at mid-night on Saturday. Presented by a more than usually relaxed Russell Harty, with the multi-coloured Janet Street-Porter, *the arch* schlock absorber Clive James, and the *chalk-stripe suited* Parliamentary sketch writer Andrew *Alexander all contributing* in the studio, it was not entirely clear whether the *programme* was intended to emulate the new generation of Fleet Street gossip *columns* or pour scorn on them. Either way it did have about it *the invigorating feeling that*, even if it wasn't going to sink *the fangs of satire deep into the* legs that really merit it, still it *might nip some deserving* ankles.

Yet it was the news programmes, and ITN's *News At 10* in *particular, which demanded* most attention. I felt obliged to watch rather closely *not just* because the much-heralded Anna Ford had at last left the Fleet Street lenses to start work in front of the ITN cameras, but because the reaction to the "new" *News At 10* in *Broadcast* magazine was one of outrage verging on hysteria.

Broadcast is the industry's own highly informative parish mag. and the unusual outburst filled an entire page which the writer *should* have devoted to reviewing the week's new commercials. *According to this (anonymous)* writer the new ITN programme was "like the longest *commer*cial ever transmitted." It started, he said with "a grossly overextended split screen title sequence that seemed to go on *forever*" and when the programme proper started "ITN *sold the news*" using "every trick in the commercial maker's book . . . indiscriminately and with total disregard for the story or the sensitivities *involved*. In essence it was the *Sun* newspaper made live." It could only be a matter of time, said this *horrified writer, before ITN even* added its own page-three nude.

This sounded most promising. It had always seemed absurd that while more people in this land of free speech and free choice read the *Sun or the Mirror* than all the other dailies *combined, television despite all* its demotic outpourings could *only manage two near identical* news programmes both seem*ingly aimed at Daily Telegraph* readers.

Yet a week or so of close monitoring suggests that all that *outrage* was misplaced, and merely reflected the familiar *obsession* with the minutiae of TV news which seems to possess those who work in or near the rest of the mass communications business.

By my reckoning the title sequence lasts 15 seconds, just as it always has. There do appear to be attempts to read a little faster than before. But the claim that *News At 10* has become the *Sun* of the air seems to me quite absurd. The list of subjects covered is, as ever, practically identical to that used by the BBC *Nine O'Clock News*. *There is* nothing new—or *Sun like*—in the use of location photography, *inserts, film, slides, reconstruction* sequences, or old Press pictures, *all of which evidently* upset Disgusted of *Broadcast*.

What is new (*it could be a* fluke in this one week, but that *is hardly likely*) is the way that *News At 10* splits up its time. *Instead of a dozen or so items* of something like equal length *which has been a fairly common* format in both BBC and ITN programmes hitherto. ITN now seem to be mixing items of much more contrasting lengths. For instance *News At 10* on April 24 contained one very long item (6½ minutes), five very short (as little as 12 seconds) and seven of medium length. BBC1's *Nine O'Clock News* on the other hand is still likely to contain 11 items of medium length and three somewhat shorter—though none as short as ITN's "briefs."

That apart, however, both news programmes seem to be much as they have been for years. Arts subjects are still steadfastly ignored. The BBC continues to announce the temperature on a scale that virtually nobody understands. Ivor Mills is still talking about the well-known *policeman's friend Laura Norder*. Jim Biddulph told us last week that "*China's mirrions are hell*bent on technology." And *Angela Rippon—no doubt seek*ing to protect sensibilities all *over Cheltenham—gave us the* bowdlerisation of the year with *her story of a world-famous* Brussels statue which she called "*Mannikinpees*."

Most irritating of all Alastair *Burnet is still talking in*. Peculiar phrases. Which bear *little clear*. Relationship. To their meaning. Rather like. This.

And what of the lady at the *centre of all the attention*—Anna Ford? She is certainly fairly *attractive*, and apart from a couple of habitual mispronuncia*tions common among news* readers ("parr industry" for power industry, and "plitical correspondent." for instance) she reads the news very clearly.

The irony is that in the very week that ITN were introducing her as one half of their first ever male/female team, ABC in America were deciding that although their famous $1m. a year lady news reader Barbara Walters will still contribute to their news programmes, she will no longer co-present it. Instead ABC will use three male presenters: one in Washington, one in *Los Angeles, and one in our* very own London. What price *ITN co-presented from America?*


Newscasters all—Alastair Burnet, Ivor Mills, Angela Rippon and Anna Ford

Royal Shakespeare Theatre

The Tempest

by B. A. YOUNG

This most magical of Shakespeare's plays is here presented with half the magic drained out of it. Not of course the magic of the story and the language it is told in, but the intangible magic that haunts Prospero's island, the magic he wields against his enemies in his unorthodox reclamation of his dukedom.

The island itself, designed by Ralph Koltai, is feaureless and barren, a flat plain with a dark curve of black plastic at the back that looks as if it were to house the two young chess-players at the end, but is never even used for storing logs. (The chess-players come up on the trap). *There might have been* more colour if the lighting-*board had not developed faults* that put it out of action; hard *luck on Leo Leibovici* that his credit for the lighting must be confined to a pat for having done soe well in the emergency. Michael Hordern's Prospero, in his grey knickerbocker suit, his magic garment a black schoolmaster's gown, suggests some wandering Mr. Chips.

But here is magic of the genuine kind, for Mr. Hordern's *performance, down-to-earth as it* is, is vivid and uncommon. He has an enviable gift of speaking the verse so that it is at the same time great poetry and every day communication. "Sit then and *talk* to her," he tells Ferdinand when he has handed over his daughter, and a world of Puritanism is in that emphasis. "My dainty Ariel, I shall miss *thee*" suggests a railway-station parting; indeed when Ariel—a rather earth*bound* spirit from Ian Charleson, though he sings *prettily—asks his most moving* question, "Do you love me, *master*? No?," Mr. Hordern's "Dearly, my delicate Ariel" is *almost* a brush-off. There is every justification in the text for making Prospero a grouchy old duke. But he has wondrous lines to speak, like "Ye elves of hills, brooks, standing lakes and groves," and when he comes to passages like this, Mr. Hordern makes it clear that there is nothing accidental about his earthiness.

Caliban is quite undeformed as far as I could see, a black savage tamed by Prospero's colonial genius; David Suchet, with his quick run at Miranda as soon as he sees her, establishes him at once as a wild man. The scenes with Stephano and Trinculo did not make me laugh much; Richard Griffiths is a very reserved jester as Trinculo, though Paul Moriarty lets himself go a bit more as Stephano, being the drunker of the two.

Apart from an occasional habit of slurring two or three words together at the start of a speech, Alan Rickman is a personable, if not exactly magnetic Ferdinand. He might learn some princely tricks from his father, the King of Naples, who is given a truly regal aspect by Dennis Edwards. Miranda is a brighter girl than we sometimes see, as Sheridan Fitzgerald plays her, curious about the family history her father thinks must bore her, and making intelligent communication with Ferdinand at once.

The "Strange shapes" that bring in the banquet, the dog-headed spirits that chase away the drunks from their store of drag, the colourful goddesses making patterns like living blossoms, fulfil their functions as they should; but it is ballet, not magic. (Choreography by Robert North, fine music as usual by Guy Woolfenden.) The director is Clifford Williams, and he does not make mistakes. The enchantment has been lifted from us on purpose.


Sheridan Fitzgerald and Michael Hordern

Guildhall

Terpsicore

by RONALD CRICHTON

The English Bach Festival—the next best thing to warm spring sunshine and much more dependable—is with us again. Miss Lalandi opened her activities last night in the Guildhall with a baroque Divertissement sung and played by the Festival's Baroque ensemble and danced by their six-strong troupelet trained in Baroque dance by Belinda Quirey and Michael Holmes. No other Festival would put on such an entertainment in a hall where so little is likely to be clearly heard and still less clearly seen. Yet it was a pleasant if sometimes dotty evening, *obviously enjoyed by a* large audience.

Handel's *Terpsicore*, described by Winton Dean as "the only opera-ballet *in the French style* ever written for the London *stage*," *was added as a prologue* to the third (1734) version of *his opera, Il pastor fido*. It was Handel's first season at Covent Garden, where the famous French dancer Marie Sallé was reigning. She danced the title-role. The slight action hinges on Apollo's invitation to the Muse of dancing to demonstrate to Erato (Muse of love poetry) and to himself "various aspects of erotic passion." Sallé was an *innovator and an original, whose* "scanty attire" offended London *and caused her return to Paris*.

Michael Holmes and Belinda Quirey, disclaiming any attempt to reproduce (the programme, by what was presumably a misprint, said "introduce") Sallé's style, opted for "orthodox Baroque technique" of the kind seen in last year's *Princesse de Navarre*. The group has three *girls* and three *boys*. *One of* the girls seemed to have a little *more to dance than the others* but was not named as Terpsicore, *and if she mimed erotic passion* the result failed to reach the *middle of the hall. Last year we* had a *Princesse de Navarre* without the Princess—the EBF must without more ado commission an opera-ballet on *Hamlet* without the Prince of Denmark, of course.

The Festival's methods may be odd, but the choice of works is *discriminating. Handel's score*, neglected here since the first per*formance except for a shortened* version done by a visiting company to Edinburgh, proved well worth reviving—a chain of solos and duets for Apollo and Erato with dances plausibly threading through them, framed in choruses. The second duet and the God's second aria (with recorders) are winners. The counter-tenor Rodney Hardesty, whose tone has grown more even and more warm, sang Apollo. Erato was taken by Caroline Friend in place of Marilyn Hill Smith—*Miss Friend also sang the* soprano line in the choruses.

From a position where (like the great majority of the audience) I could see neither ankles nor feet, the dancing looked vaguely pretty, the quick numbers were nimble, the soft arm movements pleasing. Of any form of expression there was little: of erotic possion, nothing. *The dancers were used again*, formally and without any appar*ent dramatic intentions, for the* dances in Bach's B minor Suite or Overture. The Baroque costumes looked much better under the Guildhall lighting (normal, with a few extra spots) than they did last year at Covent Garden, and were more confidently worn.

Nicholas Cleobury directed *from the harpsichord*. Simon Standage, the first violin, played *solo in Bach's A minor Concerto*, whose quick movements were not helped by the hall's muzzy acoustics. In the Suite, Nicholas McGegan's flute gradually detached itself from the string tone as the ear grew accustomed to the small sound in the large space. In *Terpsicore*, on the other hand, the continuo was barely audible.

Queen's, Hornchurch

Tommy

by MICHAEL COVENEY

This extraordinary rock dream by Pete Townshend and The Who has become, as Mr. Townshend self-deprecatingly puts it in a programme note, rock's *Pirates of Penzance* in the ten years since the disc was first cut. The Who have consistently proved themselves the most musicianly, most theatrical group in recent years. This opera predates *Jesus Christ Superstar* by two years and can claim full credit for being the first and *probably best rock opera* we have produced.

The story centres around the sense-numbing experience of a young Welfare State product of *war-time lust. When wounded* Dad returns home, he finds Mum *in the arms of her lover and* reacts accordingly. Young Tommy — angelically portrayed by a little blond vision—is stunned into deaf-mute silence by the subsequent punch-up. What is most fascinating and provocative about the score is how this event results in the career of Tommy the folk-hero via a sensational public career as a pinball wizard.

The separate numbers have *entered into pop music legend*. Ken Russell's brilliant film introduced a cruelly luxuriant *close-up camera into each song*. But the ingenious Hornchurch *production restores* the relationship at the core of the score between Tommy and his backing group. Four dozen youngsters, swaying and bopping beautifully in the background, emerge as Tommy's disciples before, in the later stages, disowning him as a cult figure and nailing him to a T-shaped crucifix.

The working-class grit of the libretto is less well done in this co-production by Paul Tomlinson and John Hole than is the general Messianic glee. Allan Love is a striking and sympathetic Tommy, revelling in long curly locks redolent of The Who's original, Roger Daltry. And there is some truly superb microphone singing by Paul da Vinci and *Dana Gillespie*, who doubles as Mother and the Acid Queen.

A great band, too, is fully alive to the pulse and energy of *the music*, and not a word is lost in an exemplary piece of amplified theatre. We should still expect a brilliant stage realisation of this wonderful piece (it has yet to be presented in the West End). But, for the time being, this production will more than serve.

Aram Khachaturian

ne Armenian composer, n Khachaturian, has died. 74. Whether or not history support the verdict, chaturian in his lifetime ed as the third most cele- ed Soviet composer, after takovich and Prokofiev. To general, as opposed to the ical public, he was the best- wn of the three, largely g to the popular Sabre ce in the ballet *Gayaneh*. He wrote symphonies, con- os, theatre and film scores one other ballet, *Spartacus*, which brought him fame *through the Bolshoi* Ballet's brilliant presentation.

Though Kahachaturian was one of the composers accused by the Zhdanov decrees of 1948 of "formalistic perversion," his better-known music is colourful, unihibitedly brash, unshamedly exploiting the Russian folk-music idiom as used by Rimsky-Korsakov and the nationalist composers. He was a deputy of the Supreme Soviet.

RONALD CRICHTON

Shaw and Shakespeare

For the first time the New Shakespeare Company will be presenting plays by the Bard's great rival George Bernard Shaw in its Open Air Theatre season at Regent's Park. The plays, *The Dark Lady of the Sonnets* and *The Man of Destiny*, will each be seen first as a lunchtime production and then will be presented as a double bill to join *A Midsummer Night's Dream* in repertory.

The production of *A Midsummer Night's Dream* will open on June 5, with previews from May 29. The Shaw double bill will join it in repertory on July 17 and the season will run until August 26.

The *Dream* is based on the highly successful 1974-75 production, *but with a new cast, settings* and costumes. Again David Conville directs and Tim Goodchild designs. Rula Lenska plays Titania, Granville Saxton (Oberon), Elizabeth Estensen (Helena), Ian Talbot (Bottom), Helen Weir (Hippolyta), David Weston (Theseus), Anthony Sharp (Quince), David Cardy (Puck).

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Labour and unions

THE FACT that Mr. Terry Duffy has defeated Mr. Bob Wright for succession to the presidency of the Amalgamated Union of Engineering Workers, and by a much more decisive margin than in the first round of voting last autumn, will probably be regarded by the Prime Minister and the Chancellor as encouraging news. Not only does it mean that the second largest trade union in the country—and one which goes in for regular re-election of its officers—now has a right-wing executive. More specifically, it means that the new president is one who sees potential advantages for the trade unions in co-operating with the Government rather than one who is openly pledged to oppose any Phase Four of incomes policy.

As a direct result of its regular re-election procedure (even though only the usual small minority of members take part in it), political attitudes in the AUEW tend to be abnormally polarised between left and right-wing. But, in the heat of electioneering, the leaders of the two wings are apt to exaggerate their real differences. Thus Mr. Duffy has declared that he is in favour of a Phase Four but only of an undefined kind and provided that it contributes to a permanent improvement in living standards. Mr. Wright has rejected a Phase Four because he believes that the job of a union is to negotiate, not because he regards "free collective bargaining" as a sacred cow.

'Understanding'

Although the victory of the former, therefore, seems to follow tidily on Mr. Callaghan's May Day speech, in which he dismissed free collective bargaining and said that the Government could no longer simply stand aside from pay negotiations it is not an unmixed blessing for Ministers. Quite apart from any internal consequences it may have for the structure of the AUEW, it is likely to sharpen the differences of self-interest and attitude between skilled and relatively unskilled engineering workers. The toolroom workers, for example, who have complained particularly bitterly about the compression of their traditional differentials as a result of pay restraint and are likely to fight for their restoration, have been active in support of the defeated Mr. Wright.

But Mr. Callaghan made it clear he can argue, that there will be room under Phase Four for widening differentials and righting anomalies. Certainly he did not make it crystal clear what he and Mr. Healey have in mind. He began from the premise that, because it was itself a major direct and indirect employer of labour and because wages in the public and private sectors are closely connected with one another every U.K. Government nowadays must hold direct discussions with organised labour about pay questions. And if such discussions were to be held, he went on, carefully substituting the phrase "new understanding" for the worn-out "social contract," it was clearly in the interest of the unions to hold them with a Labour rather than with a Conservative Government.

Arbitrary

But he had something more than a party political point to make. He spoke of the lower rate of inflation, the cuts made in taxation, the coming rise in general living standards, and the need to bring inflation further down to the level of our competitors if progress were to be made with reducing unemployment. He mentioned no norm for next year's pay settlements, but expressed the hope that the average would be low enough to allow for much greater flexibility. This is a hope which we can all share, but two points have to be borne in mind even at this early stage of the discussions: first, some powerful groups of workers are unlikely to be as restrained in the next round as they have been in this and second, that for there to be room for significant settlements above the average it will be necessary for some groups of workers to settle below it.

Although Mr. Callaghan seems to be talking in terms so general that Phase Four might be no more than a discussion about the state of the economy, it is not to be forgotten that Phase Three began with a recommended average which, through a combination of official and union pressures rather than discussion and consent, became an excessively rigid norm. It is not to be forgotten, either, that the more flexible the terms which the Government is ready to approve for future pay bargaining, the more arbitrary and unjust will be any rulings laid down by ministers or officials about particular settlements and any sanctions used against offending employers.

The Middle East deadlock

THE VISIT of Mr. Menahem Begin, Israel's Prime Minister, to the United States to celebrate the thirtieth year of the existence of the Jewish State should have provided an opportunity for celebration. But it is clear that relations between Washington and Jerusalem are badly strained, and that both Arab States and Israel are betraying signs of stress which can be directly attributed to the continuing deadlock in diplomatic efforts to restart negotiations on the conflict.

Contortions

Some of the unease that the initiative of President Sadat of Egypt in visiting Israel last November is being allowed to slip away without gain starts in Israel itself. Since that visit, Israel has made it harder for outsiders to believe in its desire to reach a settlement with the Arabs. There was firstly the massive invasion of south Lebanon, in response to a particularly gruesome Palestinian raid north of Tel Aviv. Secondly there have been the verbal contortions over whether U.N. resolution 242 (which calls, among other points, for "withdrawal of Israeli armed forces from territories occupied in the recent conflict" of 1967) applies to the West Bank or not. In Israel the Peace Now movement symbolises the feeling that Mr. Begin's narrow ideological commitments have prevented him from responding fully to Mr. Sadat, and may lead to a crisis with the U.S.

In Egypt, Mr. Sadat was yesterday still standing by his belief that his visit to Jerusalem had opened all doors and that with U.S. mediation and pressure on Israel, it would be only a matter of time before concessions would be made on the West Bank. That done, he would be able to claim that his initiative had not failed, and that, as he has always maintained, he had been acting all along with the purest of pan-Arab rather than selfish Egyptian motives. However, dissent is now rising at home over the handling of the economy, and this is spilling over to form a dangerous alliance with criticism of foreign policy.

Another crisis is looming over the U.S. package of war planes for Israel, Egypt and Saudi Arabia. Israel is more worried about the long-term strategic implications of such a deal (which has still to pass through Congress) than about its immediate effect on national security. But Saudi Arabia views the supply of F-15s mainly as public acknowledgement for its efforts to keep oil prices down, to continue to supply the U.S. with oil, to back the pricing of oil in dollars, to maintain its high level of investments in the U.S., and to act as a moderating influence in the Arab-Israeli conflict.

Twilight area

Negotiations over this conflict are at present in a disturbing twilight area where unease at the deadlock is clear, but ways to open up the impasse are less so. The problem is that Israel is unwilling to talk in substance about withdrawal on the West Bank until negotiations are under way. At the same time it sees Mr. Sadat's conditions for negotiations as being too stiff to accept. The main task for the Americans must be to persuade Israel to offer more. The benefits would be firstly an opportunity for negotiations to restart. Secondly, such progress would keep the position of the U.S. in the area secure. Thirdly, as Mr. Carter has indicated, Mr. Begin's concepts of administrative autonomy for the West Bank, if presented differently, are not too far away from what Egypt and Jordan might accept as an initial arrangement for this crucial area of the Middle East.

The impact of the AUEW's swing to the Right

BY CHRISTIAN TYLER, Labour Editor, in Worthing

THE MODERATES' capture of the top job in the engineering union has given some focus to the Prime Minister's promise on Monday of a "new understanding" with the trade unions in which the old concept of free collective bargaining would be jettisoned for ever.

With Mr. Terry Duffy ensconsed as President of the Amalgamated Union of Engineering Workers and with the rightwards shift virtually all down the line in the union's elections, the "moderate" image which Britain's second largest union has developed in recent years under that former firebrand of the Left, Mr. Hugh Scanlon, has been confirmed. Among the leaders of the big unions who regularly confer with the Government only Mr. Moss Evans, Mr. Jack Jones' successor at the Transport Workers, is strongly reflecting the demand of shop stewards to be left alone to negotiate freely with their employers.

Ministers will doubtless see the results of the AUEW elections as vindication of their belief that rank and file trade unionists will accept Government intervention in wages provided that intervention is tactfully exercised. Although the AUEW's postal ballot system has largely favoured right-wing candidates, some left-wingers yesterday admitted that the elections were a positive rejection of "progressive policies."

But any interpretation of the result should also take into account the fact that this is a very divided union politically. Politics take up an enormous amount of time and energy for the union's leading lights; and it may be that faced with a straight choice between Mr. Bob Wright a Labour left-winger, who has never made any secret of his Marxist ideology or Communist Party backing, and Mr. Duffy, whose philosophy is one of co-operation rather than struggle, the instinct of the members was to play safe.

Mr. John Boyd (left), the union's General Secretary, with his protege, the victor in the AUEW's election, Mr. Terry Duffy (centre). On the right is Mr. Les Dixon, one of the losers, both politically and personally, in the vote.

Other craft unions

Although there will be no dramatic change in policy, yesterday's result could have a considerable impact on the development of TUC-Government relations, on the union's relations with engineering employers and—not least—on the future of the shaky AUEW amalgamation and its prospects for merging with other craft unions, like the right-wing-led Electrical and Plumbing Trades Union.

Mr. Duffy said after his victory had been declared that his aims were to eliminate long strikes and internecine strife, and to persuade workers to "project their minds beyond the immediate pay packet" and seek long-term gains instead. He would also campaign to abolish the difference between staff and manual workers because that, he argues, is bad for industrial relations.

Co-operation with the Labour Government and consultation with a Conservative Government would be the order of the day.

"That does not mean necessarily that if the Cabinet makes decisions that are harmful to the working class we shall not oppose those decisions.

"But there is a need to combat inflation. I am hoping we shall be able to emerge from this restrictive wage policy without a wage or price explosion as in the past. In the past we have had a paper chase.

"I do not envisage that we shall be having any wage confrontation with this Government. We need more elasticity this time. We need restoration of the craft differential in order to obtain a skilled labour force."

On many issues, he said, he had "great difficulty in differing with Hugh Scanlon." But if Mr. Wright had won, then there would have been some disunity in the TUC.

"I don't think he would have co-operated with the Government as my predecessor did."

Asked about Mr. Moss Evans' stance, he said: "Some trade union leaders have the luxury of being able to make speeches in which they formulate a policy. Any trade union leader who seeks confrontation is, to my mind, not representing the majority of his members' views.

"*What we are looking for is a real purchasing power improvement.* If we can see that the pill is being sweetened, I feel the trade union movement will co-operate.

"There has never been under free collective bargaining a fair or equitable wage structure. I do not think bargaining power should be the only criteria. We have to be our brothers' keeper."

While Labour had introduced legislation more sympathetic to the unions than the Conservatives, Mr. Duffy said he was ready to consult the Conservatives if they win the next General Election. But he warns that if "some of the more vociferous Tories" were looking for a fight, the union would certainly be prepared for one.

"I hope that the Tories will not make the same silly mistakes as in the past."

Mr. Duffy admits there has been a lot of hostility to his campaign against strike action but believes his electoral victory is its ultimate endorsement. "The strike is a very delicate weapon. Sometimes a short sharp strike is a good safety valve. But long strikes are of no use to union or nation. I will strive to reduce them.

"I am convinced that once you have a strike, the legacy is that customers seek alternative suppliers whether they produce cars or anything else. But I think British Leyland is setting an example. Let the workforce know what is happening by consultation. I have always been opposed to nonsensical strikes between worker and worker or between union and union."

Mr. Duffy backs the union's line on worker directors, which is to accept them in the public sector but not in private industry. "I do not feel we are equipped to saddle our shop stewards with this awesome task."

A common rule book

As for the amalgamation of the four sections of the AUEW, Mr. Duffy says it is in a shambles. He believes that the white collar section TASS, which is led by Mr. Ken Gill, a Communist, does not want a common rule book and that his own determination to abolish the staff/worker distinction will upset TASS members.

He will go all-out to secure a merger with Mr. Frank Chapple's electricians union—something that Mr. Wright would have resisted unless the terms were very different from those now being put forward. Indeed, this is one area where the election result may have been crucial.

Although Mr. Duffy had a substantial majority, few people cared to predict the outcome. On paper, Mr. Wright seemed to have everything going for him. After the first ballot in March he was only a few hundred votes behind Mr. Duffy when they had 83,000 apiece. Then Mr. Roy Fraser, the determined and articulate leader of the Leyland toolroom *workers told the 20,000 who had voted for him to swing behind* Mr. Wright in the run-off. Again, Mr. Wright is one of the best-known figures in the trade union movement, especially for his work at Leyland and his part in the Ryder plan, and he is well regarded by employers.

Mr. Duffy, on the other hand, was little known outside his Midlands patch until he ousted Mr. Wright from the union's Executive in 1975. On top of that, the resentment that had built up against two years of self-imposed wage restraint from the TUC—an actual cut in living standards—appeared to favour Mr. Wright's campaign against the Social Contract.

The new president of the AUEW (who takes over in October) is clearly conscious of his inexperience and confessed yesterday to be "humbled" by his success. Up to the last minute he was reminding us of the people to whom he owed his sudden rise to the top. No one in the union business gets far if he is not tough, but Mr. Duffy has been largely propelled from behind by the moderates' machine. Now that he has got there, it will be interesting to see the interplay between him and Mr. John Boyd, the right-wing General Secretary and a Scot for whom the adjective canny might have been invented. As a veteran of the Labour movement, in the union and in the Labour Party, Mr. Boyd, whose role is largely administrative now, may see all kinds of possibilities opening up for playing upon the strings of policy.

As spokesman of the union, Mr. Duffy will—as he said yesterday—be no more free than Mr. Scanlon has been to decide policy because of the union's doctrinal respect for the decisions of its 52-man lay committee that meets, as this week in Worthing, to decide the line for the coming 12 months. But with such a tide of moderate opinion running in the union and given his own beliefs, Mr. Duffy's presentation of those policies to the public, Government and employers, could be a lot less combative than Mr. Scanlon's.

He will be presiding over an executive committee of the 1.2m.-member engineering section that will split 5 to 1 for the Right until a successor to Mr. Duffy is elected.

Banner of the Left

His own seat, for the West Midlands and Manchester area, will have to be filled. With Mr. Les Dixon, a Communist ousted yesterday, there is only Mr. Reg Birch, a Maoist to carry the banner of the Left—and he retires soon himself. Only a few years ago the Left could command three or *sometimes* four votes out of the seven and Mr. Scanlon was there to break a *tie in* the Left's favour.

Among the district secretaries, the Left lost much ground in yesterday's elections. The 52-man national committee itself is still held by the Right, with a majority of several votes. Not one left-winger succeeded in reaching the five-man standing orders committee which is elected at the start of each annual conference and which usually reflects the voting pattern for the rest of the conference.

The engineering section's highly prized democracy—some would say democracy run riot—means that jobs are insecure and that the price of losing can be high.

Mr. Wright was himself unemployed for seven months after losing his executive seat before he came back as assistant general secretary. Yesterday's casualty was Mr. Les Dixon, for eight years an executive councillor for the East Midlands and East Anglia who has settled in London in a house owned by the union. He is vice-chairman of the National Craftsmen's co-ordinating committee for the steel industry and has been negotiating redundancy terms for his members in the British Steel Corporation. He, at the age of 57, will be on the dole in three weeks' time unless he is lucky enough to find a job before then. As he said yesterday "It's a bit ironical. I have been negotiating payments of up to £16,000 for redundant steel workers, and I am out without a penny."

MEN AND MATTERS

Gift of tongues in steak strike

If you walk past a Garners' Steak House in London's West End, you are likely to have a leaflet in six languages pushed into your hand. This is the Transport and General Workers Union in multi-lingual guise, striving to stop foreign tourists using the Garners' restaurants—subjects of a 14-week official strike over union recognition. It looks as though the strike, which has echoes of the Grunwick showdown, is nearing a climax. Five of Garners' 12 branches are being picketed and strike leader George Abrahams claims that takings have been severely affected. "We know," he told me, "because our contacts still working inside keep us informed."

Abrahams says the union is putting more pressure on suppliers. "We are stepping up the blacking, including meat from Smithfield." TGWU is organising a "Garners rally" on May 20, ending in Trafalgar Square, the speakers will include Len Murray. Enthusiasm for marching has not been dampened for the strikers by taking part in the wet May Day rally.

For their part, Garners' managers keep a rigid silence. The owner, Cyril Margolis, refused to talk to me on the telephone. But the company maintains that before the strike began a ballot showed that 133 employees wanted a staff association and only 13 wanted to join the TGWU. The unionists deny this and also claim the walkout by 100 workers was provoked by poor pay.

As the leaflet for the tourists declares: "PAIE—£28.49 pour une semaine de 55 heures. Nous vous prions de manger ailleurs." A strike organiser named Habib Rahman even assured me that tourists keep pressing money into the pickets' palms.

Spelling it out

Harriette Lewis was spurred on during her three-year labour of compiling initials and acronyms when her young grand-daughter complained: "They asked me at school what EEC meant and I didn't know." Mrs. Lewis has this week seen the results of her long task appear as a pocket dictionary: *Initials—What they Mean*. She says: "There is a world-wide initial-mania and everyone likes to turn his own organisation into an acronym. So when I found I could not understand the newspapers myself upon seeing things like QUANGO in headlines, I decided it was time to shed some light."

Harriette Lewis, a judge's wife who lives in Twickenham, has not brought out her *vade-mecum* (6,000 entries for 95p) for personal gain. She is a leading figure in the National Council of Women, which will be receiving the profits. "The compilation was a nightmare," she told me, "and I am already thinking about a second edition. The world seems to manufacture acronyms at the speed of lightning." I asked whether any dictionaries of initials had been produced before, apart from the appendices to ordinary dictionaries. "Nothing popular, although four American professors produced a huge tome 10 years ago. Nothing you can put in your breast pocket—or handbag." So rescue has come at last for those of us who cannot even tell the difference between a SPAT (Supplementary Pay Appeals Tribunal) and a SPIDOT (Self-Propelled Immersible Drive-off Trolley).

Golden thoughts

An editorial in East Berlin's Neues Deutschland, the main daily paper, denounces the old saying "Time is Money" as "typical of the way capitalist businessmen think." Under Socialism, new values have developed.

This is why a new motto has been coined (excuse the expression) in East Germany; it goes "Time is Gold." And the newspaper says it is growing very popular. The ideological foundation for the new slogan is that "the faster productivity rises, the better for all members of our society . . . . the value of effectively used working hours and rationally used materials and machines can only be measured in marks and pfennigs."

"Computing every hour and every minute is all the more important as they increase in value. At the beginning of this five-year plan, 100m. marks was produced each hour and by 1980 it will be 130m. marks."

So much for the gold.

Suddenly it's Bahraining

When you talk to Arabs about the possibilities of solar energy as a substitute for oil, they tend to say rather complacently: "We have even got more sun than you have." To prove that they're ready to exploit this natural bonus, some oil-producers are showing a positive interest in the sun's potential.

Yet Allah does not always smile on such ventures. Last week the first major international conference and exhibition on solar energy to be held in the Gulf opened in Bahrain. Called Soltech '78, it seemed destined to be a winner from the outset. There was only one unco-operative element: the weather.

On the opening day, Bahrain's normally blue skies were overcast, the air was muggy—and in the morning there was even a feeble attempt at rain.

African trails

Kenya is wondering how much of the spirit of the Organisation of African Unity still survives. Will it allow Tanzania's President Julius Nyerere to find a way for Kenya to export dairy produce to Zambia—and thus reduce President Kaunda's painful dependence upon South Africa for such goods? A high-powered Kenyan delegation, headed by Foreign Minister Munyua Waiyaki, has just returned from Lusaka, capital of Zambia, after trying to find some way of restoring the dairy exports after a year's gap. Until last year, long-distance lorries trekked southwards through 2,000 miles of African bush with butter, cheese and other farm produce. Then Tanzania shut its border with Kenya, thus cutting off the only land route for the lorries.

Kenya's new plan is for the exports to be sent through its own port of Mombasa to Dar-es-Salaam in Tanzania. There they could be loaded on to the Chinese-built Tazar railway, for carrying 1,500 miles further to the Copperbelt and Lusaka. The immediate snag is that Dar-es-Salaam, always chronically inefficient, is clogged up with 90,000 tonnes of general imports for Zambia, and 50,000 tons of backlogged copper.

Kaunda told his guests he would "speak to Julius". The surest way, in the OAU spirit, would be to open the border, even if only for the lorries. Otherwise, Zambia will probably have to go on eating South African butter.

Above the strife

Woman overheard in an East London café: "That shop steward who's moved in next door is a funny sort of bloke. He's one of those transcendental mediators."

Observer

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FINANCIAL TIMES SURVEY

Wednesday May 3 1978

South Korea

Economically South Korea is booming, its rate of progress comparable with that of Japan some years ago. But there are shadows over the country's defence and foreign policies, and although President Park will be returned to power in December, his rule remains based on the suppression of opposition rather than the democratic support of his countrymen.

Economy olds he ey

y Douglas Ramsey

YTHING JAPAN can do, ıth Korea can do better. ıe or false? Three years ago rea's boast seemed absurdly se. To-day Asia hands are so sure. Few reckon the reans will catch up to the panese by the 1990s, and some this can never happen. Still, rea smacks of that bravado ne of intense rivalry with nearest capitalist neighbour, a reckless conviction t hard work, incentive and ıcation will turn this still-veloping country into a sperous, industrial consumer iety.

ny survey of South Korea 1978 must end up sounding pelessly like a paean to wth, growth and more wth. The country's GNP is wing at over 10 per cent. a ar, and in 1977 the gross tional product per capita topped $1,000. The export boom has been sustained through world recession and sporadic fits of protectionist fever in South Korea's principal overseas markets. In 1977 exports grew 30 per cent., spot on target at $10bn. for the year. In March industrial production was 25 per cent. up on a year ago, and the domestic construction industry was bulldozing its way through a near-doubling of construction approvals.

Perhaps the best illustration of this boom was the Government's decision in late winter to halt new public works spending until the second half of 1978 to ease the labour and materials shortages. And the prospect in 1978 is for many more new jobs than school-leavers, a slow decline in unemployment and a steady improvement in wages.

Miracle

Considering the economic miracle South Korea has wrought so far, few obstacles look insurmountable. But there are obstacles nonetheless not least for this nation of 37m. long accustomed to living under the military shadow of the United States and the economic shadow of Japan. Coming out from under those shadows will be difficult indeed, and plenty of other challenges face Korea. Here are several, but in no neat order of importance.

● **Defence.** The withdrawal of 32,000 American ground troops between 1978 and 1982 may fall behind schedule, but the United States is bent on turning over responsibility for South Korea's ground defence to the Koreans. With 600,000 soldiers on active duty, Korea looks prepared to take on that role but also needs to develop a countervailing defence industry to the one in North Korea. The five-year defence buildup plan will not be cheap, and may ultimately require that nearly 10 per cent. of GNP (7 per cent. at present) goes on defence. The challenge? Korea must build up its defence capability without inviting a northern attack. It must also do so without spending too much money which could otherwise be better spent on improving living conditions. Seoul's answer is to help defray the costs of producing armaments by building guns, etc. for foreign armies too. In this it is taking a page from Britain's and France's book, and the Americans are actively co-operating.

● **Foreign policy.** Closely linked to defence is Korea's ability to maintain good relations with the U.S. The Koreagate bribery scandal and differences over human rights have precipitated strains in the relationship which were bound to come anyway, simply because the dependent relationship could not last beyond the first sign of troop withdrawals. The Seoul Government has noticeably reined in the Korean Central Intelligence Agency operatives in the U.S., although the surveillance and harassment of anti-regime exiles now living in America has not altogether stopped.

A resumption of talks with North Korea may be the first real test of the South's ability to deal pragmatically with the American Government, and it may come sooner than most observers expect. It will determine how quickly the Seoul regime is willing to put its own diplomatic house in order. So far, both the U.S. and South Korea have balked at the thought of going into tripartite talks with the North, and the North has reciprocated in kind. Increasingly, Washington looks ready to discuss this path towards a peace treaty between North and South. Seoul is adamantly opposed, but may be inclined to sort out its relations with Pyongyang as a first step toward improving its links with Eastern Europe and, who knows, perhaps China and the Soviet Union. There is even idle talk in Seoul of the pros and cons in switching Korea's China recognition from Taiwan to Peking—the sort of talk which just did not come up a year ago.

● **The Japanese challenge.** The Koreans are trying desperately to get out from under their reliance on Japan for investment, technology and machinery. The yen's appreciation in 1977 against the dollar-pegged Korean won played havoc with Korea's import bill, which increased by a third. An array of measures have been taken to diversify the source of imports, but the level-headed men at the Ministry of Finance are reluctant to put up barriers to Japanese imports. As a result, Japan's trade surplus with Korea grew by $531m. to nearly $2bn.—an enormous gap compared with the surplus Japan ran with all nine EEC countries in the same period of $5.2bn.

Recently Seoul began to let Korean banks operating in Europe hand out subsidised loans for the export to Korea of European goods and services in order to attract Korean businessmen. Seoul has also cut the financing available to importers of Japanese machinery by discriminating against exporters within a 10-day standard navigation radius of Korea.

Imbalance

Neither these nor other measures against Japan are strong enough to correct the trade imbalance, but South Korea is obviously willing to discriminate (if surreptitiously) against Japanese goods and investment. The challenge will be to do so without irking the Japanese, who have provided much of the capital and most of the know-how on which Korean industry is based (steel, ships, etc.). Drawing this fine line will be especially difficult as Korean goods penetrate the Japanese market in Europe and America for declining sectors (for example, textiles) and manage to do what Japanese exports have done in the last decade or so—throw people out of work.

● **Politics.** President Park Chung Hee is guaranteed re-election in December for another six-year term after ruling Korea since 1953. But the vote is devoid of meaning. The 1972 constitution and subsequent emergency decrees give Mr. Park an autocratic birthright which has made for efficient management, but sordid politics. The parliamentary opposition toes the line and extracts some minor concessions from Government, but vocal opponents of the present system are detained, harassed or jailed. To be sure, Mr. Park might handily win an election if all restrictions on the opposition were lifted to-morrow: instead, 1978 will be a parody of free elections elsewhere when on May 18 Koreans vote for an electoral college which will unquestionably re-elect the President by December.

The challenge? Mr. Park's system works as long as it can deliver the goods, that is as long as living standards rise rapidly. It also hinges on Mr. Park himself, an impressive and modest leader for all his undemocratic sins. It is vital to Korea's future political stability that Mr. Park (a) gradually lift the restrictions on vocal opposition to the regime, and (b) prepare the ground for a return to real parliamentary government. He could start by releasing Mr Kim Dae Jung and the 100-200 other political prisoners under detention.

● **Poverty.** President Park's legitimacy is largely based on his ability to generate wealth, but a large cross-section of Koreans still earn subsistence wages. The population drift into urban centres has meant more widespread urban poverty despite the disproportionately high contribution made by factory workers to the country's growth. More and more an educated workforce is asking for its share of the spoils and in 1977 the Seoul Government began to seriously tackle the problem of wages by effectively adopting a minimum wage.

Still, Mr. Park is not out of the woods. In a rapidly expanding pie, huge amounts are being diverted to rural areas out of proportion to the increases in productivity in those areas or their contribution to GNP. In short, Korea must meet the challenge of dividing up the spoils fairly between the urban workforce and the 42 per cent. engaged in agriculture. From there, the country must ensure that wage and income disparities between blue and white-collar workers do not get too far out of line as they had done before 1976. Inevitably, President Park must also give workers a say, and that would require repeal of the existing ban on strikes.

Better

● **Energy.** South Korea has done better than most countries in recovering from the increase in its oil bill (from about $200m. in 1971 to $2bn. in 1977). But Seoul estimates that by 1986 it will need three times as much energy as it now uses, and the country is counting (perhaps too much) on nuclear power to generate 30 per cent. of those needs.

● **Inflation.** Although official statistics show 11 per cent. consumer price inflation for 1977, authorities recognise that the real increase in the cost of living was closer to 15 per cent. For now, Seoul has opted for a strong package of measures to contain inflation at last year's level in 1978 despite outside pressures which might cause Korea to lose its competitive edge in some export markets. At the same time, Korea must balance its fight against inflation with the growing need for selectivity in investment, that is, higher (inflationary) interest rates to ensure less speculative investment which may prove bad for the investor and bad for Korea.

● **Imports.** The challenge of finding new export opportunities pales in comparison to the real trading challenge facing Korea—how to liberalise imports. At a similar point in its development, Japan neglected the need to open up its market and the result has been a chronic imbalance in Japan's trade. Korea must learn from Japan's lessons, especially since it counts on open markets for selling its own products abroad. The economic planning board has plumped for liberalisation and other ministries now look intent on carrying it out. But the fight is not won yet: an entrenched bureaucracy stands to lose jobs, and protected industries are already squelling. If the liberalisation timetable goes without a hitch to 1982, Korea's market will be more open and competitive than Japan's is to-day.

Economic growth based on industrial success

SOUTH KOREA is an economy in bloom. Its gross national product has averaged 10 per cent. growth a year for the past decade, and in 1977 per capital GNP went from $700 to $864. The country's economic overlord, Deputy Prime Minister Nam Duck-Woo, is predicting a sustained high rate of growth in 1978 which for the first time will catapult per capita GNP above the $1,000 level.

BASIC STATISTICS	
Area	38,022 square miles
Population (1976)	35.9m.
GNP (1977, preliminary)	$31.5bn.
Per capita	$864
TRADE (1976)	
Imports	$8.4bn.
Exports	$7.8bn.
Imports from U.K.	£63.1m.
Exports to U.K.	£136m.
TRADE (1977)	
Imports	$10.5bn.
Exports	$10bn.
Imports from U.K.	£75.8m.
Exports to U.K.	£179m.
Currency=Won	£1=883 won

Looking further ahead; the Korea Development Institute (KDI) in its excellent paper on the prospects for the Korean economy to 1991 suggests that by that year per capita GNP will have risen to $7,700 (or $3,900 at 1975 prices)—assuming the same pace of growth as Korea has achieved in recent years (10.3 per cent. in 1977).

Korean economists are uniformly too cautious in their predictions, and few would put too much emphasis on GNP figures. Indeed, considerable disparities still persist in income between Koreans, not least because the country is still undergoing the switch from rural to industrial society. Over 42 per cent. of the working population is engaged in agriculture, but the sector countributes 23.3 per cent. of GNP and is only expected to grow by 7 per cent. in 1978 (better than the 3.1 per cent. of last year). By contrast, mining and manufacturing will continue to account for 30 per cent. of GNP in 1978 while Mr. Nam's planners at the Economic Planning Board (EPB) anticipate growth of between 12 per cent. and 14 per cent. in this sector.

The importance of the external sector in GNP growth is indisputable. In 1977, for instance, South Korea did better than expected in its balance of payments. Exports scraped past the official target of $10bn. in 1977, and Korea ran its lowest trade deficit ($518m.) since the oil crisis despite a hefty increase in raw material and machinery imports. The current account, meantime, swung into surplus (albeit only $32m. worth) because of much higher-than-expected invisible revenues from Korea's lucrative construction contracts in the Middle East.

As a result, the overall balance of payments improved to a surplus of $1.3bn. and Korea's foreign exchange reserves rose 45 per cent. to $4.3bn. at year's end. In this sense, the foreign sector proved a boon to domestic economic growth by making available extra funds for investment. Korea's current account earnings also helped offset the rising volume of debt servicing which rose to $1.4bn. for all debt over one-year maturity—as a result, the debt service ratio came down from 12.5 per cent. in 1975 to just over 10 per cent. in 1977. The outlook for 1978 is for a debt burden of $1.8bn. to be paid out of current revenues estimated at $17bn.

Korea's improved trade situation nevertheless became a small thorn in the side of domestic planners. In particular, the net increase in foreign assets of $1.3bn. was roughly equivalent to the net rise in money supply for the year. Thus, the foreign sector was chiefly responsible for runaway inflation in 1977 when planners hoped to control the growth of M2 at 25 per cent. a year—the EPB reckons the year-to-year increase was actually 38 per cent. and the end-year rise was 44 per cent. In turn, inflation got out of control—the consumer price index rose by 11 per cent., although economists reckons that the real rate of inflation was substantially higher (perhaps 15 per cent.).

Excess liquidity and inflation, moreover, threaten the competitive edge enjoyed by Korean exports. Since the Korean won is pegged at 484 to the U.S. dollar, it has effectively been devalued by 25 per cent. in the past year against the Japanese yen, thereby improving its edge on Japanese exports in third markets. However, Japanese manufacturers now contend with about 5 per cent. inflation a year, a third of Korea's present rate. So many of the gains to be had from the dollar (and won's) devaluation are frittered away by inflation. Moreover, some analysts say the rest of Korea's export edge is being undermined by the consequent increase in import prices. After all, Korea still depends on Japan for more than 35 per cent. of its imports, and the import bill from Japan went from $3bn. in 1976 to $3.9bn. in 1977. On the other hand, Korea only managed to sell $300m. more to Japan last year, so it is a long way from offsetting the negative impact of the yen's upvaluation against the won.

Distress

The trade implications of rekindling inflation are a major cause of distress at the Ministry of Finance and the EPB, and not surprisingly both are acting harshly to keep prices under control. The target for 1978 is 10 per cent., but it already looks unlikely. In January-to-March, the consumer price index rose by 6.4 per cent. because of Korea's policy of passing on all major price increases to the consumer—regardless of the political consequences. In particular, oil prices were raised between 3 per cent. and 5 per cent., and the price of coal was put up 33 per cent. in late December. Since coal represents 30 per cent. of all energy consumption, and virtually 100 per cent. of household fuel for heating and cooking, the increase accounts for the lion's share of the higher cost of living for most Korean families.

According to Mr. Kim Jae-Ik, director of the Planning Bureau at the EPB, the attack on inflation in 1978 will be three-pronged. If it works, there will only be a "slight discrepancy" from the 10 per cent. target set by the EPB. The three prongs are:

● Import liberalisation. In April, Seoul decided to step up its programme to liberalise some sectors still protected by quota ceilings on imports. Three sets of measures in 1977 are estimated to have produced $500m. in additional imports: the latest package may do likewise. The aim is to bring down the domestic price level by letting imports undercut inefficient domestic producers.

● Foreign assets. South Korea will strictly limit the increase in net foreign assets in 1978 by running a current account deficit of between $100m. and $200m. To offset increased invisible earnings, the EPB has adjusted its trade deficit estimate for 1978 upwards from $700m. to $1.1bn. Again, the main component of the "worsened" trade position will be a hefty increase in imports from $10.5bn. in 1977 to about $13.85bn. in 1978. In so doing, Korea can hope to limit the increase in net foreign assets to $700m. this year—half the 1977 level.

● Subsidies. Although Seoul strictly budgets to balance its books, its subsidies for rice production are an eyesore. The grain stabilisation fund is separate from the yearly budget, and half the deficit in the fund comes from rise price supports which, in turn, keep rice prices at two to three times the world level. The policy, meant to stimulate production, has resulted in over-production: domestic rice supply exceeded consumption by 10 per cent. in 1977, and exports are out of the question because Korean prices are prohibitive. Korea has been building up rice stocks for three years, but now there are moves to reduce rice price supports to (a) cut the deficit, and (b) stimulate production of other foodstuffs (notably vegetables and cattle).

Some modest efforts will be made this year to coax some rice farmers out of rice, and the EPB would unofficially like to see a freezing of support prices to at least prevent any further inflation on grain account. Still, Government is left with paying out subsidies for stockpiling, and this will further add to the growth of money supply in 1978. Says Mr. Kim: "We may have to continue the subsidies until we find other instruments for efficiently distributing wealth between the urban and rural sectors."

Wage push in some sectors would indicate that South Korea is heading for a full employment economy sometime around 1985. More imminently, Korean industry must arbsor some 400,000 school leavers a year between now and then. The first evidence is that many more jobs will become available than new job entrants. In 1977, the number of employed rose by 415,000 and the rate of unemployment fell accordingly. In 1978, according to estimates by the EPB, the number of employed persons in the economy will go from 13m. to to about 13.5m.—suggesting a further decline in the jobless rate (from 3.9 per cent. in 1976 to 3.7 per cent.).

Widespread

In fact, the employment consequences of rapid economic growth are much more widespread than the bare statistics reveal. In particular, the drift away from rural occupations has meant a significant increase in the number of young people aspiring to salaried jobs. Social workers report a steady flow of young women from the farm into small manufacturing activities which, although low-paid, provide income able to sustain on average 1.7 person. As a result, other family members follow and find jobs in the wage economy.

Economists reckon the drift has been acute in the past 12 months, although statistics are not yet available to confirm this perception.

As wages increase and more people are drawn into the wage economy, there will be substantial changes, too, in spending But for now, Korea will continue to save a large portion of disposable income. Between 1972 and 1977 the total annual savings of individuals rose 16 times to $5.5bn. In terms of GNP it is estimated that domestic savings will count for 26.4 per cent. of GNP in 1978 (up from 24.8 per cent. last year) at the expense of total consumption. Yet there are signs, especially in the retail sector, of increased spending in urban areas: retail sales in Seoul in the 12 months to last October rose by 26.7 per cent., or faster than for the same periods in the past three years. There have been no detectable signs of change, however, in the propensity to save in Korea, still put at around 33 per cent.

Savings and consumption patterns will ultimately be reflected in the Korean Government's fiscal and monetary policies, and these remain two areas where Seoul technocrate have proved less imaginative than on foreign borrowing, payments, wages and (unsuccessfully) prices. The government is seeking to soften the tax burden on middle-income earners, but it must consistently reckon on about 35 per cent. ($2.6bn.) of the year's budget to spend on defence. So there is little room to manoeuvre and there is no desire to put up corporati taxes or taxes on upper-echel personal income for fear th it may dissuade investment ac vity. So the result is a wait-an see attitude while continuing levy too-heavy taxes on t poorer segments of Kore working society. The gover ment has been prompted in some action aimed at alleviati this burden on low-income ear ers, but the opposition parti remain too impotent to pre for the full-scale reform of t legislation which would needed to make the syste more equitable.

Likewise, there are stron forces at work against chan ing monetary policy. The inte est rate structure is kept arti cially low as a stimulus to i vestment, and many bankers r sent not being able to char "real" rates which are anyw prevelent on the "curb" ma ket. The lending rate on th secondary market is typical 25 per cent. per annum co pared with 14 per cent. whi commercial banks must char their customers. Some planne would like to see a revision rates, but that risks being inf tionary. On the other han higher rates may prevent som investors from going into u wise investments simply b cause easy money is availab By this summer the Bank Korea and its new governor w have to take a hard new lo at interest rates, and an upw revision may ensue if Korea to prevent the boom from ov heating.

Douglas Rams

Foreign policy

"SOUTH KOREAN officials going abroad sound like rabid Ku Klux Klan anti-Communists," said a top aide to South Korea's President Chung Hee Park. "As far as the Korean issue is concerned, there is a monolithic Communist bloc. I don't want to look like an anachronism, yet the situation is an anachronism."

South Korea's whole approach to the outside world is deeply affected by both fear of and brotherly attraction towards the 16m. Koreans north of the 38th parallel. Foreign diplomats and South Korean dissidents agree that virtually all South Korea's highly literate population shares much of the Government's anti-Communism and worry. Security in one form or another is the base of Korea's foreign policies.

Thus South Korea's foreign policy is largely an old-fashioned cold war style build-up of military and diplomatic strength, complete with overtures towards every conceivable potential friend and towards some enemies that are seen as potential neutrals, such as the Soviet Union. It has also included some dirty tricks against those who seem intractable, with dissident Koreans abroad, the most common victims.

South Korea seeks a stable status quo, at least until it can hope for reunification of Korea on its own terms. Seoul officials claim they need continued outside military support because in any possible conflict China and Russia would have to support Pyongyang as they were forced to support North Vietnam.

At least until recently the South maintained weaker armed forces than the North, though American forces made up the difference. A recent study by the American CIA reported that until last year the North, with greater mineral and hydro-electric resources, but only half the population of the South, maintained a higher GNP per capita.

Yet although South Koreans will openly talk about a "German solution" to the divisi of North and South, Korea not Germany. Korea was f unified in 676 A.D., long bef England or any other mode country in Europe. Korea one language, one culture a no major minority group. " are terribly conscious of c homogeneity," said the Kore official.

Thus any regime that is e likely to control any part Korea must make reunificati a top priority, at least official

In the 1960s the South refus even to have contracts with t "treacherous" North. N with greater relative streng the South charges it is the N that refuses to talk. "Supp

CONTINUED ON NEXT PAGE

SOUTH KOREA III

Political questions answered in advance

THE YEAR 1978 is election year n Korea, but it hardly matters. here are no campaign posters or stirring speeches to fire the lectorate. A series of compliated election procedures beween June and December will nexorably culminate in the relection of President Park Chung lee, and the parliamentary pposition is still squabbling bout whether to put forward a andidate to stand against the ndomitable Mr. Park for the residency. Of course, the oppoition's indecision will make ttle difference to the final outome of the elections, since ritics correctly assert that the 972 constitution established an lectoral system rigged in favour f the incumbent President and is political supporters.

None of which makes politics n South Korea any less interestng. In fact, there are three pposition parties and a reserve extra-parliamentary opposion with its foundations among eligious organisations, teachers nd students. Indeed, the real st of President Park's strength 1978 will not be at the polls t in his response to vocal pposition from his critics. Will silence them with jail terms, does President Park feel rong enough to let up on his vere treatment of the dissints?

Diplomatic observers in Seoul t the number of political prisoners" in South Korea at tween 100 and 200, although l but one of the most celeated detainees (after the arch, 1976 Myongdong declaraon) had been released by nuary. The exception is Mr. im Dae Jung, former opposion leader and the man who arrowly missed unseating Presint Park in the last "free" ection in 1971.

In February Mr. Kim was ansferred from a southern il to detention in a Seoul spital ward, and there have en repeated rumours of his impending release. The decision rests with President Park, and the release may be made easier after Mr. Kim's resignation from the New Democratic Party (NDP) in April in apparent disgust at the Party's pliant attitude toward the Government. It is a well known fact in opposition circles that Mr. Kim dislikes the new NDP leader, Mr. Lee Chul Seung, practically as much as he dislikes President Park. Thus, the President may feel less threatened by a free Mr. Kim in an election year now that he has taken his distance from the parliamentary opposition. Still, President Park has given no open indication of how he will deal with Mr. Kim's release (he is serving a five-year term).

The election itself is a bit of fraud since the outcome will cause few chinks in the President's autocratic armour (although his supporters say that a "strong" showing may let him rescind the emergency decrees which form the legal basis of what they see as "necessary" civil rights violations). The electoral process, nevertheless, deserves explanation since it produces a rare mix of parliamentary government and autocratic rule.

Polls

First, in May or June (the exact date is not yet fixed) all voters go to the polls to elect 2,583 members of the National Conference for Unification (NCU). Set up in 1972, the NCU is an "apolitical" body and no member of the National Assembly may stand for election to the NCU. Electioneering, moreover, is not supposed to be done along party-political lines. The NCU, once elected, has three functions:

1. To act as an electoral college in picking the President.

2. To endorse (or reject) nominations of the President for members of Yujeong-Hoe, another "apolitical" group which forms one-third of the National Assembly.

3. To approve constitutional Bills passed by the National Assembly.

Then, between September and February voters must elect members of the National Assembly. In fact, only two-thirds of the seats are up for grabs since the President nominates members for the third of the seats taken by the Yujeong-Hoe. There are 219 Assembly seats, and 73 designated for the Yujeong-Hoe, although in this election total seats will be increased to 231 and the "apolitical" group's membership to 77 (one from each of 77 electoral districts). The current strength of political parties in the National Assembly (with five seats vacant) is: 68 seats for President Park's own Democratic Republic Party (DRP); 55 seats for the opposition New Democratic Party (NDP); 3 seats for the Democratic Unification Party (DUP), and 15 independent seats. A third opposition party, Mr. Kim Chul's United Socialists, will contest the next elections but at present has no Assembly seats. (Both the United Socialists and the DUP are offshoots from the NDP.)

Third, by the end of December the National Conference for Unification must elect the President to a six-year term of office. Mr. Park has said he will seek re-election, and the opposition NDP is not keen to put up an opposition candidate. The matter has already split the parliamentary party between the mainline moderates, led by party leader Mr. Lee Chul Seung, and the activist "Yatt'u" faction, which claims perhaps a dozen of the NDP's 55 members of parliament and wants to put forward a strong opposition candidate to oppose President Park. The Yatt'u faction claims support for its position from a broad spectrum of party members, other opposition parties and the extra-parliamentary opposition, which is spoiling for a fight for the presidency (despite the NDP's failure in the previous elections in 1967 when Mr. Yun Po-Sun stood against President Park and in 1971 when Mr. Kim Dae Jung came close to beating him with 45 per cent. of the popular vote).

The abundance of newspaper reporting on the squabbles within the opposition camp is the reverse of disclosure about activities (a) inside the Government Party, and (b) inside the extra-parliamentary opposition. An observer is inclined to get the impression that nothing is actually happening in either camp, but that is obviously at least half-wrong. The Government Party has all the money and power it needs to perpetuate its votes at election-time, so there are no visible signs of in-fighting. But the extra-parliamentary opposition, however small, is still very active.

The release of the Myongdong defendants (except Mr. Kim Dae Jung) has taken some of the heat off the Government, although dissidents regularly describe to foreign pressmen the frequent cases of overnight detention without criminal charges and the occasional periods of house arrest imposed on the more vocal members of the extra-parliamentary opposition. However, in March both the Korean National Council of Churches (KNCC) and many prominent dissidents issued statements not dissimilar to the Myongdong declaration which landed its authors in jail in March, 1976, yet this time the Government and KCIA were not prompted into arresting the dissidents. Then in April, the usual round of student unrest at universities never got off the ground, not least because of the government's deft handling of holiday and exam schedules, which kept students too busy to protest. (Students are becoming increasingly aware, too, of the bright job prospects for college-leavers afforded by Korea's economic boom, and the incentive to get that diploma is much greater than it was two—much less six—years ago.)

The emphasis of attacks on President Park, in turn, has switched from his autocratic treatment of political dissidents in the church and intelligentsia towards the plight of the urban poor (especially young women). The KNCC and the protestant Urban Industrial Mission (UIM) are lobbying for more workers' rights to protest against poor working and living conditions. Strikes in South Korea are banned, and the Federation of Korean Trade Unions is unabashedly in co-operation with government (and management) to prevent them in return for steadily rising wages. Wages have been rising but some labour protests have landed workers in jail or out of work.

Vocal opponents of the Park regime want him to ease up on the right to strike, and it may be the keynote of efforts by Korea's extra-parliamentary opposition in 1978 to get out the vote against the ruling party.

D.R.

Foreign

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at the margin of military rength was on our side. Then rhaps they will come to the nference table," said the presintial aide.

American policy has also ight to maintain the status o, but Americans worry too it South Korea might attempt conquer the North. The semiicial American view was sumd up by a U.S. official: "The nericans are in the North st Asia because we have our n very important security nsiderations and our own very portant economic consideranns. Policies designed to conue stability are in our erest."

The problem with this policy hat maintaining the stability olves threatening to go to r if North Korea breaks the ce, and it is virtually imsible to imagine any Ameri- interest so vital that it ld justify the cost that such var would entail.

s long as Seoul needs shington's military aid, a key ective of Korean foreign cy is to encourage Washing- to remain friendly and help-

Compared to the Japanese nizers up to 1945, the ericans have been extremely ign, and there are fw places the world to-day where ericans are as welcome as in th Korea. But at the same the Koreans resent their endence on Washington and ike acting like a satellite. A bination of bungling mpts to influence Washing- and inability to understand they went wrong has reduced Seoul-Washington relations to a very low ebb.

Koreans read American wire service news reports. They know how much corruption is routinely reported in the U.S. Congress. So they wonder why, the activities of Mr. Tong Sun Park, the rice dealer who is charged with bribing several congressmen, were singled out as unusual.

"The trouble with the Koreans in Washington is that they did not sign up for a seminar in lobbying conducted by the Israelis," said a diplomat in Seoul. Recently the Koreans have erportedly hired one of New York's top public relations firms. The PR men will have a lot to teach their clients.

Sources in Seoul argue that Tong Sun Park was primarily a private wheeler-dealer. Mr. Park is the scion of one of Korea's richest families, and was making additional fortunes out of rice shipments to Korea. One diplomat noted that in the cases where evidence of bribery was strongest, the recipients were congressmen connected with U.S. rice export programmes.

Diplomats take the evils of the Korean Central Intelligence Agency much more seriously than they take the Tong Sun Park scandal. But after several shake-ups in the KCIA, its international intimidation has apparently been sharply scaled down, though not eliminated.

More impressive South Korean diplomatic efforts in recent years have been directed toward the Third World. Seoul's attention was forced to developing countries by the oil crisis and by an aggressive and reasonably successful North Korean diplomatic offensive.

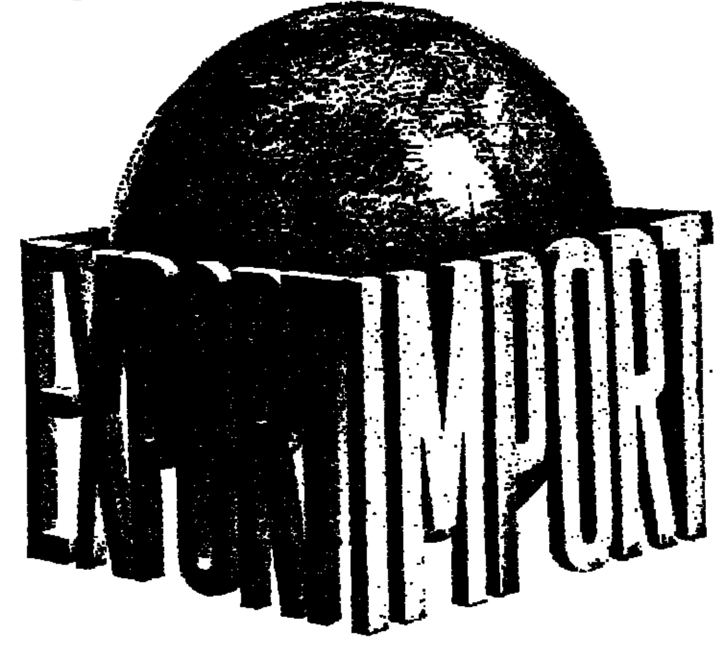
South Korea was omitted from the Arab countries' friendly nations list at the time of the oil crisis and so faced an oil boycott. Meanwhile, North Korea was admitted to the Conference of Non-Aligned Nations, and Third World countries began supporting moves against South Korea in the UN. This was serious because even to-day U.S. troops in South Korea remain under the UN flag.

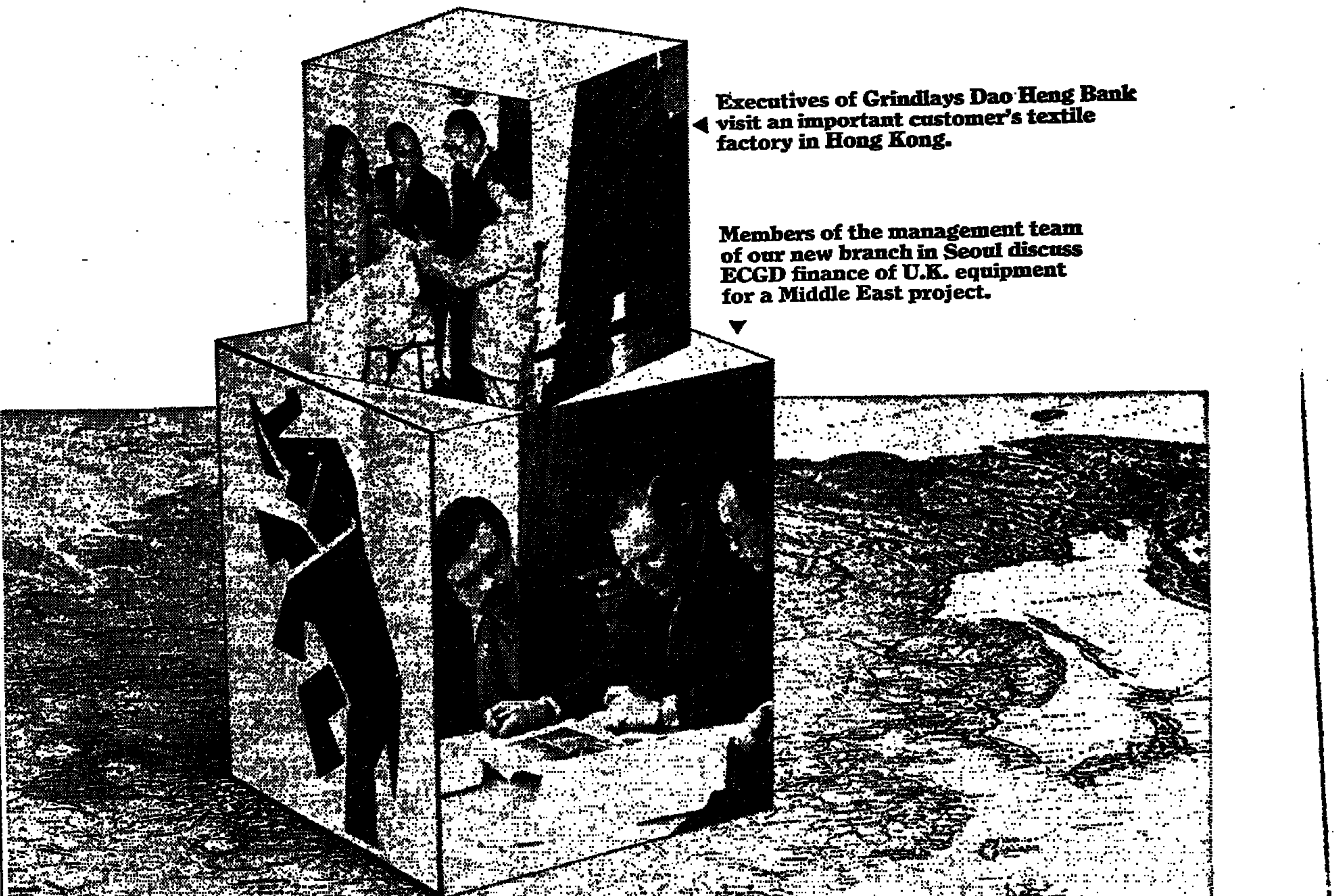
The North Koreans came close to passing a General Assembly resolution favouring their position in 1974-75, but recently Pyongyang's support has weakened. South Korean construction contractors have won friends in the Middle East, more conservative regimes have risen to power in India and several other developing countries, and the South has clearly outperformed the North economically, giving it greater prestige.

Seoul's two crucial multilateral goals now are entrance into the Non-Aligned Conference along with the North, and entrance into the UN whether the North wants entrance or not. The North has opposed separate UN entrance of either Korea on the grounds that it would perpetuate division.

If Seoul accomplishes either goal it will clearly show that Third World countries are moving away from automatic opposition to capitalism.

Robert Wood





Defending the future

WITH ONE of the largest standing armies in the world, South Korea must devote nearly 7 per cent. of its gross national product and some 35 per cent. of public spending to defence in 1978. Officials willingly proffer the figure of $2.6bn. for defence this year, but the breakdown is top secret. Simple arithmetic shows that the country is spending an incredible $4,000 for every one of the 600,000 soldiers it keeps under arms. Taken out of context, that spending may look disproportionately high for a developing economy.

But most western defence analysts reckon that South Korea on its own is still no match for North Korea, which has nearly as many men under arms but spends over $6bn. on defence (or $10,000 per soldier). It is the presence of a UN command, and specifically the American military umbrella, which has kept a balance between north and south since 1953 and until recently, it was not clear just how quickly the American Government would pursue its stated policy of reducing the U.S. troop presence in South Korea. What has since emerged, however, is a picture of much greater caution on the American side than depicted in early statements by President Carter.

The troop withdrawal plan, put simply, was to have meant withdrawing 6,000 U.S. military personnel by the end of 1978 and phasing out the remaining 26,000 ground troops in instalments over the following four years. In late April, faced with growing Congressional opposition to the pullback, President Carter decided to scale down the 1978 withdrawal by putting off the departure of two combat battalions (1,600 soldiers) until 1979.

The view in Seoul is that America's internal debate (between Carter and Congress) on the wisdom of troop withdrawals will drag out the reduction of U.S. ground forces long enough to let South Korea set in place a strong deterrent of its own to aggression from the North. Meantime, although the Seoul Government is openly hostile to a resumption of talks with the North (especially with the Americans in attendance), President Park Chung Hee may see it as another way to buy time in order to improve the country's defences.

The American Congress looks inclined to block further withdrawals after 1978 until Washington can coax Seoul (and Pyongyang) into a North-South peace treaty. Since the dialogue between the two Koreas has been in limbo for several years, the treaty (and with it, perhaps, the final departure of all U.S. ground troops) could be several years off.

Even if the full 32,000 ground troops are sent home over five years, as Mr. Carter originally planned, the Seoul Government no longer sees the move as a "sellout" (a word bandied about just a year ago). There are indications that the U.S. will greatly boost its air support presence on the peninsula with the deployment of F-15 Eagle fighters, and there is no talk of dumping the mutual security pact by which the U.S. "guarantees" South Korea's security. Of course, the chances of American ground troops being pulled into a new Korean conflict are fewer if they are withdrawn, but then nothing in the security treaty (as it stands) commits the U.S. to sending troops to Korea's defence anyway.

Pragmatic

If the Americans now look less precipitate about pulling out ground troops from South Korea, then the Korean attitude towards the U.S. military connection has also become more pragmatic in the year or so since President Carter took office. The initial response in Seoul was that Korea would forge ahead on its own to build up a defence industry capable of producing everything but aircraft and nuclear weapons. The industry will not come that easy: and although Korean officials refuse to talk openly about five-year defence build-up plans except in the vaguest terms it is widely acknowledged that the country will continue to depend primarily on American goodwill for defence technology.

The goodwill does exist, whatever the political tensions between the two allies. In the short run, South Korea must hope that Congress accepts the Carter proposal to gradually hand over $800m. worth of military equipment used by the U.S. ground troops to be withdrawn. Korea must also hope that the U.S. will continue to turn a blind eye to the lucrative sale to third countries of some military equipment made in Korea but derived from U.S.-licensed technology. In particular sources in Seoul say that on two counts the Koreans have unilaterally broken off licensing agreements and sold U.S.-designed equipment overseas. One instance is the sale of Tacoma Boat-designed patrol boats to the Indonesian Navy after disbanding the joint Korean venture with the Seattle company which used to produce the patrol boats for the Korean Navy at a southern Korean shipyard.

Another case of "pirate" arms sales has been the known sales of M-16 rifles (licensed by Colt of the U.S.). To third countries after Korean statements to the American side that enough changes had been made in the original design for it no longer to be considered the M-16 as licensed by Colt. The authorities in Washington are so far not upset with the moves and have even granted permission for some small doses of arms sales abroad of U.S.-licensed 81mm. mortars from its own technology. South Korea also manages to sell abroad a full range of ammunition and communications equipment from platoon to battalion level.

The most advanced equipment now being built in South Korea to helicopters and 155mm artillery. Still, the defence industry in South Korea remains small beer compared with that of North Korea, and the country still depends on imports from the U.S. for its more sophisticated and heavy armament. Although President Park got mileage in April out of a highly-publicised visit to a tank factory opened in southern Korea, it remains a fact that the factory is simply used to build some modern equipment on the Korea Army's U.S.-built M-48 tanks. Analysts reckon that South Korea is not far off from building a tank from scratch at this and other factories, but first it must negotiate for the technology. U.S. defence contractors will be in the forefront, but it is also known that South Korea has approached Mitsubishi Heavy Industries in Japan about the designs of its Type 74 tank (although Mitsubishi's hands are tied by the Japanese ban on arms exports), and the German Leopard tank may also be in the running.

Gamut

The whole gamut of military vehicles will eventually be produced in South Korea. A company such as Daewoo Industrial boasts of being able to deliver military trucks overseas in its "military equipment" catalogue, and any number of foreign makers are attempting to sell their goods in Korea. One candidate, Britain's GKN, hopes to export its armoured personnel carrier, although defence analysts reckon Korea will not rush to import any military vehicles without a simultaneous agreement to produce under licence inside Korea. This may cause problems for foreign arms exporters, and not just the U.S. and Britain, because the Koreans will presumably also insist on rights to market Korea-made vehicles in third markets to take advantage of economies of scale.

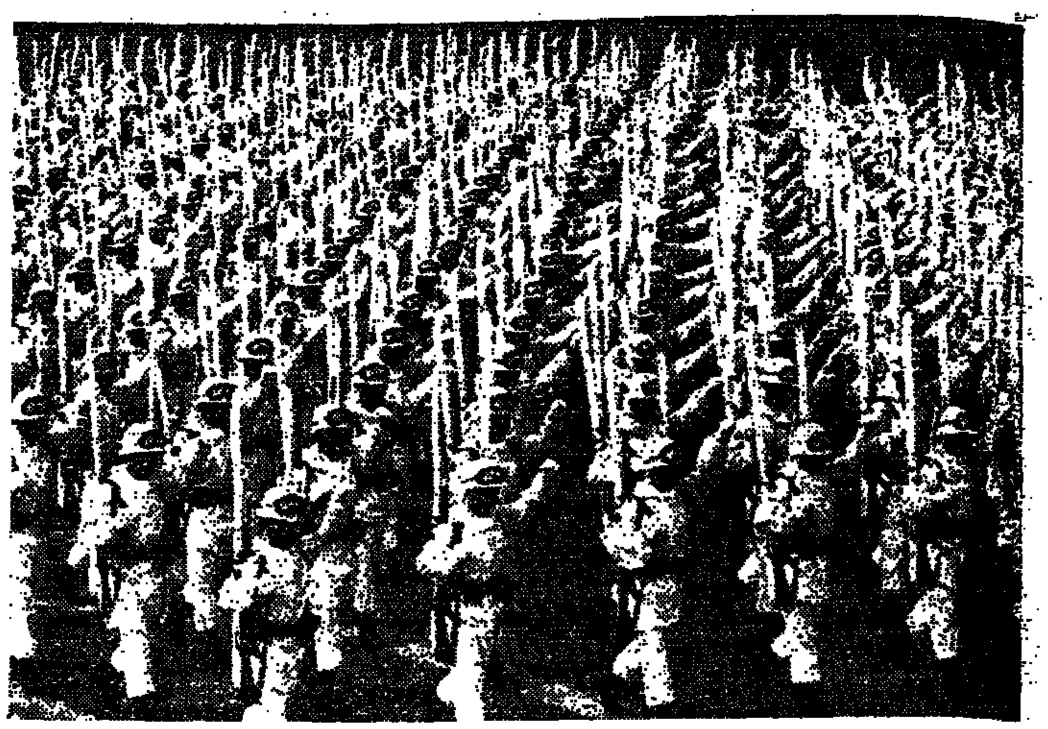
So far the Koreans have stepped only gingerly into non-U.S. arms markets. The French have sold a naval weapons system and half a dozen Allouette helicopters. One source says other deliveries have taken place from Europe, but none from Britain (yet). There are two main reasons for this. First, the entire South Korean industry is geared to making things which are compatible with American military personnel and equipment. "It is a logistics problem," one U.S. source says. This severely restricts the sort of items which can be operated independently from the arms and communications infrastructure imposed by the U.S. presence in Korea. Second, for now the Americans are the most forthcoming on military export credit.

Five years ago, when Korea was still receiving weapons in the form of grants from the U.S., it had hardly any use for credits. Grant aid stopped in 1975, and in 1978 the U.S. Congress appropriated $275m. in export credit at concessional terms for sales to South Korea. The actual amount of military sales by the U.S. to South Korea is kept under close wraps, but Seoul is believed to be interested in some fairly advanced missiles and radar equipment from the likes of Lockheed and Hughes Aircraft. President Carter has asked Congress for a similar military sales credit allotment in fiscal 1979, and might raise the stakes as high as allowing the export of some aircraft (notably the F-5) but probably ruling out the delivery of the most advanced fighters into Korean hands (the F-15, for instance).

In short, South Korea's defence industry is coming of age and Seoul is acutely aware of how important a role American technology will play in speeding up the setting-in-place of a viable heavy armaments industry to counter that of North Korea. The defence build-up plan is for five years, but it will take longer than that (although the Government is giving top priority in foreign exchange lending to companies ready to produce military items endorsed in the unpublished plan).

The five-year plan was clearly timed to coincide with the phasing out of the American ground troop presence in South Korea, so it is fair to assume that Korean defence planners feel a certain sense of relief now that the American withdrawal looks like taking longer than just five years. But the Korean objective is to develop an indigenous defence industry able to support the entire southern defence effort (with the exception of America's air and nuclear umbrella). In turn, many analysts expect it will lead the Koreans into a strong race with traditional arms exporters for weapons markets in other developing countries. The plethora of military catalogues from Korea's industrial conglomerates would indicate that the arms export industry is already in place. The sophistication of South Korea's military inventory is now only a question of time and degree.

D.R.


Locally armed Alpine troops in marchpast formation in the South Korean Armed Forces Day parade.

Aiming for full employment

WAGE PUSH and labour shortages are rarely present in developing economies, and South Korea (with 42 per cent. of its working population in the rural sector) might have been no exception. Yet in Korea last year urban wage earners saw their average pay rise by 22 per cent., and according to the Korea Productivity Center pay increases in 1978 may average between 21 and 25 per cent. And although blue-collar workers have seen their wages rise less quickly over the past five years than the pay of white-collar employees or managers, "Sweatshop" labour in the small electronics and textile factories of the Yong Dong Po district across the Han River from downtown Seoul have received pay rises of over 20 per cent. for the past two years running. In some cases, corporate profits may have doubled or trebled, but the fact remains that the income of workers (men and women) has shot up noticeably. So has their cost of living (by 17 per cent. in 1977), but few social workers in urban industrial zones would deny that South Korean workers are far better off to-day than they were two years ago. And the average blue-collar worker now earns $120 a month compared with $43 a month in 1973.

Shortage

The South Korean boom has, in fact, created a manpower shortage in some key industries, and many economists say the single biggest factor was the overseas construction bonanza. Until early 1977 construction workers at sites in Saudi Arabia, Iran and other Middle East countries received the relatively low wages which let Korean companies underbid European or Japanese competition. No longer. Now the Seoul Government enforces a strict minimum on overseas construction pay of $480 a month. In practice the big contractors pay $500 or more, and provide services and transportation worth that amount again. The basic salary itself is about twice the level of pay (without housing, food or other fringe benefits) inside Korea for similar jobs, so it has meant a major strain on the domestic construction market for jobs.

Construction workers were already among the highest paid in the Korean economy at $250 a month, but saw their wages rise by 25 per cent. last year, according to detailed figures recently published by the Office of Labour Affairs. Those are average wages in the construction sector, and include pay for engineers and managers. But the blue-collar average is not far below, and the average is fast approaching the best-paid sector in the South Korean economy (utilities) in which the average wage rose by a

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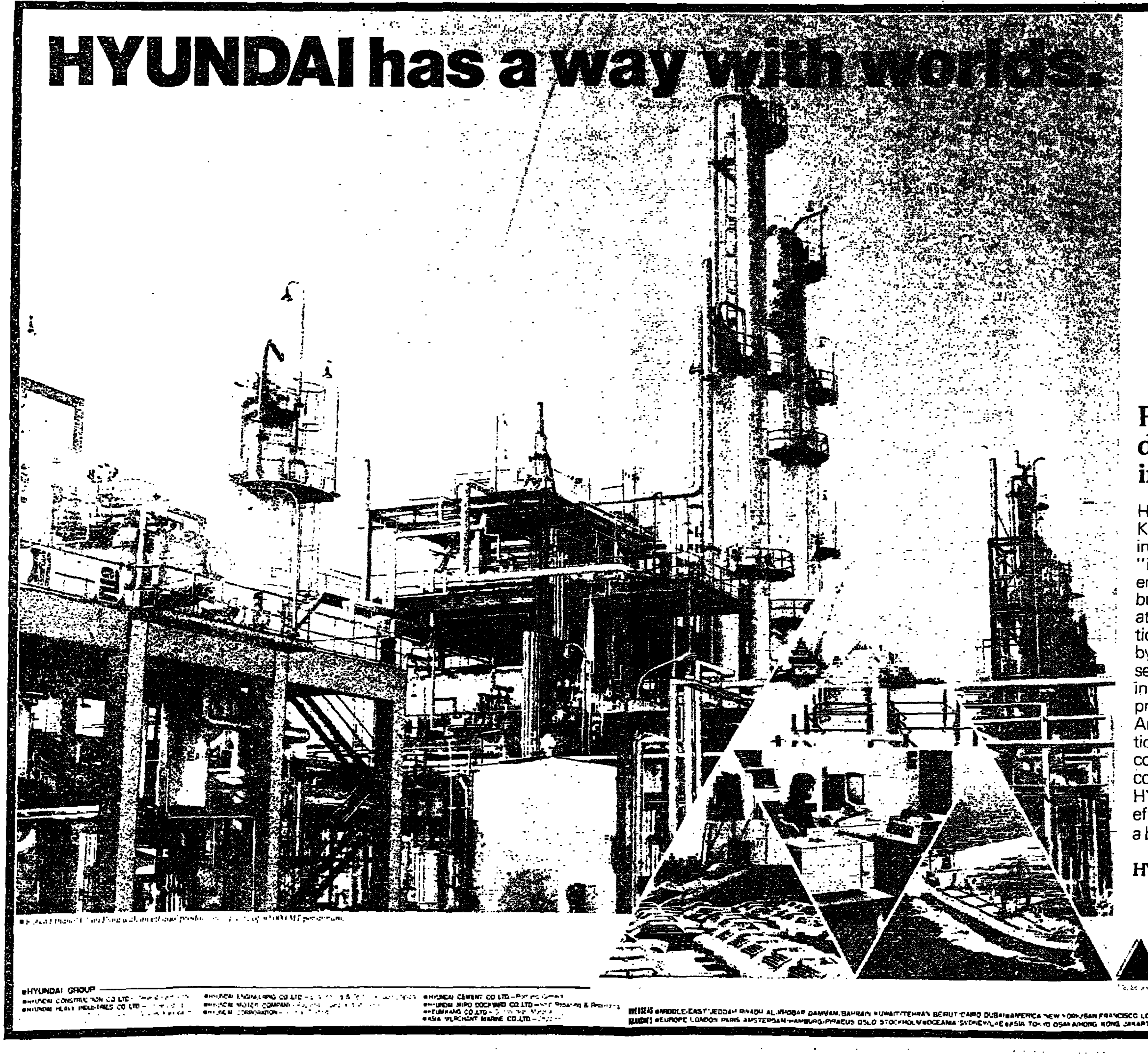

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Borrowing abroad

SOUTH KOREA *is coming of* age in international capital markets. Its debt *servicing* ratio is just over 10 per cent. and the *country can now borrow* at lower rates than most other developing countries and even lower than some industrialised countries. Significantly, for the first time there is talk of South Korean private corporations raising funds abroad through unguaranteed syndicated loans, or even bond issues. Few details are available but the powerful Samsung Group is *seriously* discussing with bankers about a *Euromarket borrowing without* a bank guarantee by the end of 1978, and the *Daewoo Group is putting its books in order* (the first South Korean company to consolidated its accounts) as a first step to raising funds publicly in the Euromarket.

Hyundai Corporation is another potential international force, and observers do not rule out a first South Korean listing *on an overseas stock exchange* in the foreseeable future. Thus, Korea *is emerging as one of* the most viable international *borrowers and for the first time* ever the Government in Seoul *has been forced to put strict* controls on the amount of foreign cash flowing into the economy.

The flow of foreign funds in *1977*, in fact, was embarrassingly high and caused a worsening of inflation. By running a small current account surplus and also borrowing heavily, the *net increase in foreign assets* in the system increased by $1.6bn.—an amount equivalent to the net 39 per cent. rise in money supply for the year. In 1978, planners at the Economic Planning Bureau hope to run a sufficient current account deficit to help offset the inflow of foreign funds and keep the net increase to a modest level (fearful that further inflationary pressures from foreign funds will price some of South Korea's exports out of foreign markets).

South Korea *had a total outstanding* external debt at the *end of 1977 of about $12bn.*, more than double what it was *three years earlier.* However, the burden of servicing debt (*principal* plus *interest*) doubled for loans with a mat*urity of over 12 months* between 1975 and 1977: last year, the *burden on medium and long-*term debt ($9bn.) came to $1.4bn. *compared with $734m.* two years earlier. Yet despite *South Korea's mushrooming* external debt and servicing *burden, it has rapidly become* one of the most sought-after *borrowers on the international* financial market place. In the *same period of two or three* years, foreign banks have come round to lending to South Korea at interest rates and maturities which are better than on most loans to other advanced developing nations. Why the change of heart?

Theoretically there is no need *for foreign borrowing. But the* inflow brings with it technology, *management know-how and so* on. In short South Korea's financial position is more sound than it has ever been. As a result, Mr. Kim recently signalled to the International Monetary Fund (IMF) his desire to see Korea's quota increase more steeply than the overall increase planned for this year (of 35 per cent.). Hence, on May 1, South Korea's contribution to the IMF coffers was doubled. "This reflects our growth and the capacity of our country to borrow," says Mr. Kim, and it also boosts Seoul's voting rights in the organisation from 0.32 per cent. to 0.44 per cent.

But it does not mean that South Korea intends to make increased use of IMF credit facilities, according to the Minister. "We negotiated a standby credit with the IMF for 1977 but never had to draw *on it.* We would like to roll over that credit for 1978, not *because we plan on using it but* because it underlines the Government's intent to have more stringent self-discipline and also get the IMF's view of our policies."

Review

Mr. Kim and his able assistant Minister for International Finance, Mr. I. Y. Chung, thus embarked on a thorough review of South Korea's borrowing plan. The first concrete step came in early April when Seoul prepaid the $114m. outstanding on the $200m. balance-of-payments loan from an American banking syndicate in early 1975. Weeks before the fall of Saigon, when U.S. bankers feared for Korea's military security, Mr. Kim clinched the $200m. deal after personally convincing Mr. Rockefeller (of Chase Manhattan), Mr. Clausen (Bank of America) and Mr. Wriston (Citibank) to take a chance. The terms were nonetheless harsh. A five-year maturity at 2 points over the London inter-bank offering rate (Libor), and the banks forced Seoul to borrow in the name of the Central Bank. It was the first and last time. By April 10 this year when Seoul prepaid the *outstanding* amount, South Korea's borrowing chips were sizeable. With those chips, Mr. Kim authorised Citibank, Chase Manhattan and Bankers Trust to arrange a new $300m. syndicated loan in Hong Kong which would carry the easiest terms ever paid by a non-oil producing developing country (except Taiwan): the 10-year loan *carries only ⅞ of a per cent.* over LIBOR. Moreover, it will go *50 : 50* to the Korea Development Bank (KDB) and Korea Exchange Bank (KEB) but will not carry a specific Government guarantee from the Central Bank. So although there is an implicit state guarantee since both KDB and KEB are Government lending *institutions, the new* loan sets a precedent. Despite the easy *terms, moreover, international* bankers have flocked to lend, and oversubscribed the $300m. loan by at least $100m.

Seoul now seems in a position to make such demands. Already last February the Finance Ministry pressed Citibank not to insist on a Government guarantee for the $100m. borrowing by the Pohang Iron and Steel Company. The loan was then the cheapest ever by a Korean international borrower (at 13/85 over LIBOR) but the absence of a guarantee was an important precedent (even though Pohang is a State-controlled company owned 24.7 per cent. by Government, 45.9 per cent. by the KDP and the remainder by commercial banks and other private interests).

The $300m. raised in Hong Kong will go to help finance *machinery imports,* primarily for heavy and chemical industries, but the country's booming foreign currency holdings are also being put to good use in paying back a large portion of short-term debt as well as longer ones at harsher rates. The Finance Minister says, however, that it will not greatly affect the total level of new loan commitments by Korean borrowers in 1978: these are *targeted at $3bn.* In January to March, only 12.3 per cent. of the total had been committed ($369.4m.) by foreign lenders.

Smaller

However, the new loan is replacing a number of planned *smaller borrowings later in the* year and Seoul has had to re*vise upwards its estimate of* total incoming foreign loans in 1978 (*arrivals rather than com*mitment basis) from $1.6bn. to $2bn. (The sum includes expected direct foreign investment in Korea of about $80m. in 1978.) Despite the revision, Government authorities hope they will be able to keep the net increase *in* foreign assets in the South Korean banking system to a very modest level.

South Korea's new borrowing posture abroad will naturally be reflected in the cost of foreign funds to Korean companies inside South Korea, and most foreign bankers expect an across-the-board cut in lending rates of ½ per cent. in May or June. The same foreign bankers see huge lending potential in the South Korean market (where companies on the stock *market are averaging dividends* of over 20 per cent. a year) but *have had their hands tied by* the relatively low $200m. ceiling on their foreign currency lending in 1978. Joint venture merchant banks have a ceiling of $100m. and the remainder of foreign lending to industry inside South Korea will be through KDB, KEB, other Government institutions and direct funding abroad of $300m. for the utility, Korea Electric (KECO). The ceilings are not *absolutely fixed, because foreign* branches may exceed their *individual ceilings by up to* 50 per cent. if the increment is lent without a Korean bank guarantee, and since these days the Finance Ministry has instructed South Korean banks to refrain from giving guarantees for further proof of Korean industry's "bankability," foreign branches and the merchant banks can together expect to lend locally up to $450m.

Mr. Kim Woun-Gie, Governor *of the Korea Development Bank,* expects to hive off most of the KDB's *portion of the recent* Hong Kong loan before the end *of March since applications for* foreign cash to the KDB (which *mainly finances manufacturing* industry) are expected to run at two or three times of the level of cash available. A similar *situation arose in January when* the KDB disposed of the equivalent of Y10bn. raised by a KDB bond issue on the Tokyo yen-denominated market—the first such raising by a South *Korean institution, and certainly* not the last.

D.R.

Employment

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slower 11 per cent. to $325 a month.

A survey made in March by the Korean Chamber of Commerce and Industry confirmed what many private companies suspected in 1977, that is, that a serious shortage existed in several skilled job sectors. Over 1,000 compaines were polled to determine their ability to find adequate manpower, and over 20 per cent. of the companies indicated that they could not find enough qualified personnel in 1977. The figure compares with only 16 per cent. two years earlier. Certainly, the Government is worried about the future supply of skilled workers and technicians and has substantially increased spending on vocational centres, which will be dotted arond the country to facilitate *the drift of talented manpower* away from the farm and into *skilled jobs.*

Statistics

The Office of Labour Affairs produces ample statistics on pay conditions in South Korean companies, but they do not necessarily reflect the conditions of all the country's employed. In 1977 South Korea's population was 36.4m., and of these some 13.4m. are the country's "economically active" population. In turn, over 500,000 of *the labour force are unemployed* (3.8 per cent. at the end of 1977), and employment in agriculture, fisheries and forestry was 5.4m. That leaves 2.9m. in mining and manufacturing industries and 4.6m. persons employed in the services sector, etc. The statistics available on wage rates in industry, however, only cover 2.85m. persons employed in mining, manufacturing and services in companies with 10 or more employees, and although it is a good guide to the health of the economy, economists reckon that wages paid in cottage industries, etc., are somewhat lower than the averages *on the books of larger* companies. Of course, giant conglomerates like Hyundai, Daewoo or Samsung pay their workers substantially *more than* the average Korean wage—so on swings and roundabouts the official figures may hold some truth.

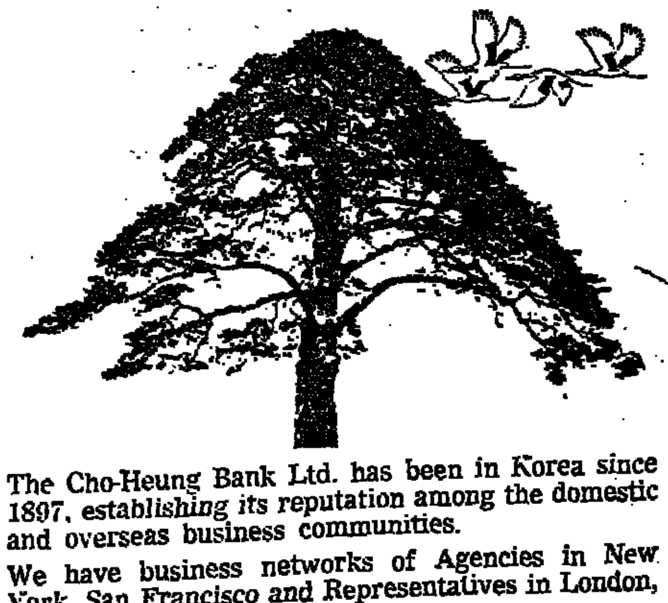
The accompanying charts depict the average 1977 wages of various categories of employed, as well as average wages paid in key industries. Moreover, they trace the rate of increase wages for managers, white-collar employees and blue-collar workers in the Korean economy since 1973.

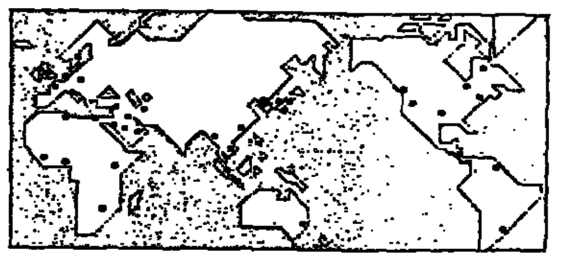
What emerges from the chart is a clear indication that the *blue-collar worker* has seen his pay rise briskly in recent years, *and faster than the average in* 1977, but on the whole not as fast as the much higher wages paid to managers or white-collar employees. During 1977 the Government was under tremendous pressure to remedy the situation and took stiff action to force companies to raise the "minimum" pay at major companies (hence the 24.3 per cent. rise in average blue-collar wages last year. The Government is wary of setting an official minimum wage, and has come under attack from some religious organisations for this policy, but it is now widely known that the Office of Labour Affairs puts pressure on any employer paying less than 30,000 won ($62) a month. Pay on this scale has become more the exception than the rule as more and more workers *earn* the blue-collar "average" of $120 a month.

In South Korea (as in the rest of Asia) women earn substantially less than men, although straight-line comparisons are misleading. In fact, women make up the lion's share of the workforce in textiles and electronics—industries where men take the jobs as supervisors, foremen, technicians and managers, while women (usually aged 17 to 25, just off the farm) do the dirty work. A foreign *missionary* who works with groups of young textile workers *reckons they often earn up to* $100 a month, and get certain housing and food benefits on top of that. However, statistics for the whole of Korean industry show that women in 1977 earned only 43.9 per cent. of the average male wage, no change from 1976 but slightly worse than, say, the 46 per cent. level of 1974. Thus, women workers seem to have benefited less from the boom than their male counterparts—although it is clear that many more young women can now look forward to entering the wage economy.

Indeed, if low wages are still a black mark in the developing Korean economy, jobs are the bright spot on the labour horizon. Although there is still abundant unskilled labour, the number of persons employed in the wage economy is rising rapidly. In 1977, some 7.3m. persons were employed in non-farm households—an increase of 8.7 per cent.—while the number of employed in farm households declined by 3.6 per cent. Overall, employment in the economy rose by 3 per cent. (in a year when the rate of population growth continued to be half of that). South Korea is therefore proving more able than was anticipated to provide jobs for *new entrants* into the workforce, and long-term planners *expect that by 1985 South Korea* may reach the "full employ*ment*" level achieved by Japan in the mid-1960s.

D.R.





Motor output begins to take off

ONE YEAR after businessmen were writing it off as a mistake the South Korean motor industry is straining capacity. Though Korea's cars are still only marginally competitive in the world market, the makers expect to triple exports this year to 30,000 and hope to triple them again next year. Domestic demand has doubled this year despite continued high taxation.

Mr. Herbert Telshaw, executive vice-president of the General Motors affiliate Saehan Motors, said conditions have been "fantastically better since President Park intervened in the industry last August." Mr. Telshaw credits President Park's interest and subsequent official guidance for rapid improvements in production rationalisation. "He said he wanted the industry to be a major exporting industry and started the ball rolling, and things have been on the up and up since then."

A production line at the Hyundai Motors plant in Ulsam.

South Korea still has one of the highest automobile tax rates in the world. The £2,700 domestic price of a Hyundai Pony, a sub-compact comparable to the smallest Datsuns, includes £610 commodity tax, 10 per cent. VAT. and 15 per cent. special commodity tax. Including tariffs, the tax on cars that contain more imported parts than the Pony can amount to 80-85 per cent. of the selling price. Then the buyer must pay £27 a month road tax and more than 22 pence a litre (£1 a gallon) for petrol.

This has kept the ratio of cars to people in Korea at one to 132. In Britain and Japan the ratio is one to four.

Roads

The Government has made roads its major transportation network. Even the products of the Pohang integrated steel mill are transported mainly by highway. But because of the taxes on private cars, traffic in Seoul consists almost entirely of buses, trucks and insanely-driven taxis. Seoul citizens can still travel through downtown by bus or taxi with only occasional slowdowns for traffic jams, and Government planners do not want that to change.

When Hyundai Motors completed its plant to build the all-Korean Pony in 1976, demand was as low as one-third of capacity, and Korean manufacturers were furious at Government taxes. Mr. H. K. Paik, public relations manager at the Hyundai Motors factory, still predicts the Government will eliminate the road tax "very soon." But Saehan's Mr. Telshaw noted that to-day, "if they reduced the taxes they would merely inflate the demand far beyond our capacity to supply it."

Although the Government did not cut taxes last year, it did not raise them either, and in a country where nominal incomes are rising at 25 per cent. a year and the upper classes are moving into Seoul suburbs, stable prices proved sufficient to raise demand dramatically.

Mr. Paik was translator and close associate to Mr. George Turnbull, a former British Leyland managing director who spent three years with Hyundai helping launch an independent Korean motor industry. Mr. Turnbull left last spring, convinced that the Government's priority on motors was too low.

Mr. Paik notes that the Pony plant represents only a minor investment by international standards. It cost $100m. (£55m.). "About $300m. is the average expense for introducing one new model in a big car company," he says. An Italian consumer products designer with no experience in motors designed the Pony, and much of the engineering was British.

Even at double last year's production rates, South Korea's motor industry will manufacture only about 90,000 cars this year. That is the number the industry expects to produce for exports alone next year. "Someone compared the industry here to the motor industry 15 years ago in Japan," said Mr. Paix. "We're going to make it much shorter."

Saehan Motor projections indicate Korea's domestic demand will rise to 800,000 a year by 1987 with the present tax structure. At that point the country will have a per capita income of £2,200 a year and one car for every 15 people. Just to keep up with that much internal demand, the industry must invest £75m. a year.

South Korea's auto exports so far have gone to the Middle East and South America, where pollution and safety regulations are weak and the Koreans can sell cars simply by keeping prices low. Mr. Paik said Hyundai has lost money on exports, but when production reaches the 100,000 a year level (which Hyundai expects late this year), exports will become profitable.

The Pony has just passed tests in Britain, and Hyundai plans to start European sales. But some doubt whether Korean cars are really ready for Europe yet. Pony taxicabs in Seoul have a remarkable number of suspension problems and sticking doors. Mr. Paik said these problems had been remedied on Ponies coming off the production lines to-day.

Mr. Telshaw said the Korean Government is developing the domestic auto industry on "Japanese lines. The manufacturers are designated as mother companies and they are expected to support their subcontractors technically and financially," he said. In America subcontractors are more independent, and anti-trust laws discourage manufacturers from helping them too much.

Faster

Japanese and Koreans believe that help from the Government and "mother companies" can make parts producers improve their quality much faster than they would on their own. "I think you have to look at the Japanese auto industry and ask yourself whether they are not doing some things we ought to learn from," said Mr. Telshaw.

Despite their still small production, Saehan has developed 190 Korean parts suppliers and Hyundai has developed 400. One small company that had previously specialised in producing can openers now makes the brakets that attach the lid of the pony's trunk to the body. Korean car makers seek at least two suppliers for each component, so the suppliers will bid against each other. But the "mother companies" often own part of the stock in each of the competing subcontractors.

General Motors owns 50 per cent. of Saehan and the rest is owned by the Korean Development Bank. Saehan was GM's first automaking joint venture. Until 1971 the company had insisted on 100 per cent. ownership in any country it entered. But Saehan operates independently of GM and has established its own dealers to sell its exports. GM recognised in helping to establish Saehan that the company might eventually prove a tough competitor in world markets.

Mr. Telshaw said independence for the Korean company is a necessity because of cultural differences. "I would not want to run a wholly owned foreign business in this country," he said.

In addition to Hyundai and Saehan, there is a third major vehicle maker, Kia Motors, which is wholly Korean owned but linked to Honda Motors in Japan. Kia in turn dominates Asia motors, a smaller fourth automaker that Kia took over with Government co-operation after Asia fell into financial difficulty.

Robert Wood

A minor miracle on the farm

JTH KOREAN agriculture, ch had been lagging behind the nation's amazing eco- ic upsurge, has achieved antial gains in recent years ough still less spectacular the manufacturing sector. or the *first time in a genera-* , the country is self-sufficient ice, by far the most impor- food in South Korea. It ts the highest rice yield per land in the world.

e income of the average household is roughly on a with that of urban wage- ers according to official stics. "Now we are in a tion to produce enough rice ed ourselves and still have left for export, thus ming one of the eight ries in the world that can rice abroad," says Mr. Kim *Hyun, president of the* y-established Korea Rural omics *Institute.* "*This is* thing of a miracle, resulting *more than a decade of* nt investment and uous effort."

the one-time Minister of ulture said, South Korea ome a long way from the ndency which charac- d the lot of Korean ers only 15 years ago.

the early 1960s, this tradi- lly agricultural nation was ing from grinding poverty villages and had to import quantities of rice and grains under the U.S. aid amme. Every spring, e barley was harvested, the rs went through a period nger, many subsisting on off trees and *edible* weeds. ir paddy fields were so quately irrigated that they totally at the mercy of eather. With 56 per cent e entire population living e farmland that accounted mere quarter of the total ry, around 36 per cent. rural families were forced bsist on farms less than *ctare in size.*

en the Government laun- a series of ambitious mic development plans in emphasis was *laid on* sectors, all but neglecting grarian economy which 1 36 per cent. of gross al product (now down to r cent.).

as only at the start of the that increasing attention was paid to agriculture. The third five-year economic plan (1972-76) made rural development one of its main goals. This policy is intensified under the *current fourth plan.* Investment in agriculture is planned to *increase by nearly 50 per cent.* to 1,500bn. won (about $3.1bn.) during 1977-81.

Some 40 per cent. of the funds will go into land development *projects, including* irrigation, drainage and *reclamation,* with the farm mechanisation programme getting nearly one-sixth of the total. Also, livestock and sericulture (production of silk) will receive increased investment.

Grains

The foremost concern of South Korea's agricultural policy is increased production of food grains, so that the country can reduce its food import bills which totalled $4.1bn. in the past 13 years.

After three consecutive years of good crops, the country enjoyed an unprecedented 15.2 per cent. rise in rice production, totalling 6m. tons. South Korean agricultural officials say this meant an average rice yield of 4.94 tons per hectare, the highest in the world (it was 4.81 tons in Japan in 1975).

The remarkable feat is attributed chiefly to the high-yielding local varities, Tongil and Yushin. Tongil, also called IR667, is a product of technical collaboration between Koreans and the International Rice *Research Institute in the Philippines.* Basically a cross of *native strains and the so-called* miracle rice developed by the IRRI, it covered 55 per cent. of paddy fields last year. This year the ratio is planned to be enlarged to 69 per cent.

Although rice production exceeded demand by 8 per cent. last year, overall domestic grain supply met only two-thirds of requirements due to a very poor *barley crop* caused by bad weather.

This year, *barring disastrous* weather conditions, a twofold increase in barley crop is projected, making the country self-sufficient also in the second major food grain. This will raise the overall self-sufficiency to 79 per cent.

South Korea will, however, have to continue to import almost all its wheat and corn requirements. Wheat is an uneconomical crop because the growing season is too long, interferring with double cropping. A research programme is under way to develop a wheat variety which matures early, before rice *is planted. Increased rice* output can also be attributed to improved *irrigation (for 86 per* cent. of all paddies), better fertilising and widespread use of agricultural chemicals.

A typical Korean farming village.

Another important factor behind the agricultural progress is a new zeal generated among the farmers by Saemaul Undong—the new community movement—initiated in 1971 as an integrated rural development *campaign.*

With the concepts of "diligence, self-help and co-operation," the movement is aimed at motivating villagers *into improving their own living* environment and productivity, *then raising their incomes.* Elected village committees select projects that are implemented principally by voluntary labour, with some Government assistance in cash and building materials.

Sstarting with such simple projects as roof improvements *and drains, Saemaul Undong* moved on to infrastructure projects *such as* farm roads, small bridges, electricity and piped water, and then to income supplement projects including joint livestock raising and sericulture. It has now spread to urban neighbourhoods and among factory workers.

According to official figures, the once-wide *disparity between* urban and rural earnings has been almost eliminated in terms of income per household. But since rural families are slightly larger than those in urban areas (5.5 versus 5.2), farmers income per capita is still lower.

Also playing a vital role in providing higher rural incomes has been the Government's grain price support policy. Every year the Government purchases substantial quantities of rice and barley from the farmers upon harvest at higher prices than it sells them to the consumer. Last year the *difference was 35 per cent. for* rice and 68 per cent. for barley.

As a whole, agriculture has attained an average gain of over 4 per cent. per annum in the past decade. Although this is much slower than the dazzling *industrial growth of nearly* 20 per cent. a year, the rate is impressive when compared with most other countries.

For all this achievement, there are many problems facing South Korea. As well as the *need for* increased domestic grain supply, which is re*strained by the limited space of* arable land, the declining labour supply for farms is a *growing* problem. The rural population has shrunk to 36 per cent. of the national total, with the ratio expected to decrease further to 20 per cent. by 1991. Particularly alarming is the fact that most of the city-bound migrants are young people.

To cope with this siuation, the Government has been encouraging a gradual shift toward mechanised farming, providing loans for purchases of farm machines. But mechanisation still has a long way to go, given the small size of unit *farms (0.95 hectare per household)* and irregular shapes of *paddy fields (at present 53 per* cent. have been rearranged into *regular patterns).*

A locally produced small *power tiller is the principal* farm machine in use, numbering *166,000* last year—one *for* every 14 farmers. This number is planned to double by 1981. The Government will make loans available for their purchases.

A third problem concerns the rapidly rising demand for meat and dairy products. The Government is making special efforts to promote the livestock *industry,* but there are a number of constraints, including *huge investments to develop* pasture land on hillsides and *the need to import most feeds.*

To meet growing meat shortages, 20,000 tons of beef and 3,000 tons of mutton will be imported this year, mostly from Australia.

Fishery, which provides an important protein source, has also made great strides in recent *years,* with its *standing* in the world climbing to seventh *in production* and *fourth* in exports. Along with meat, fish and other marine products are among the protein food items whose consumption in south Korea will increase sharply in the next 15 years. The nation's *fishing vessel tonnage,* 144,889 tons in 1961, had increased to 660,949 gross tons by 1976, while fishery production rose to 2.4m. tons in 1977 from 532,153 tons in 1963.

The growth of deep-sea fishing *has also been remarkable.* From a mere three boats in 1960, the *deep-sea fishing fleet* expanded to about 850, and caught a total *of 596,000 tons* to earn $313m. in exports last year.

South Korea's deep-sea fishing industry, however, began to suffer some setbacks in the face of the 200-mile zone proclaimed by most coastal nations. So far South Korea has succeeded in concluding fisheries agreements with around 50 countries, including the U.S., New Zealand, and some African and Latin American States, which allow South Korean fishermen to operate in their waters under quota or fee charge arrangements.

Hardest

The impact is hardest felt in fish supply at home. South Korean ships are barred from North Pacific waters around the Soviet Kamchatka Peninsular, from where over 300,000 tons of fish used to be brought home annually. For the first time in history South Korea is having to import 50,000 tons of cod and herring this year from foreign suppliers.

As regards the question of further boosting rural incomes, the *agricultural officials' view is* that increasing non-agricultural income (which now accounts for only 22 per cent. of an estimated 1.4m. won — about $2,900 — earnings per household a year) holds the key. This ratio can be compared with Japan's 70 per cent. and Taiwan's 50 per cent. The Government campaign to induce industrial plants *into* farming regions is making little progress. *As industrial wages continue* to rise sharply, there is *a good possibility of the urban-*rural gap widening again.

Samuel Kim

Still space for foreign banks

FOR FOREIGN banks in South Korea, the nation's recent economic successes have proved, at best, to be a mixed blessing.

Those banks which stood by the country when it was caught in a tough credit squeeze three years ago may get satisfaction out of seeing their loan decisions vindicated so decisively.

But the improvement in the balance of payments, and the increase in foreign exchange reserves (to $4.31bn. at end-1977, $2.96bn. a year earlier) have been so sharp that South Korea has suddenly become quite a bit stronger and more independent than the international banking community had bargained for.

Already, Korea has repaid ahead of schedule more than half of a $200m. balance of payments loan provided by foreign banks in 1975 (some banks refused to participate in the syndication at the time, doubting the country's ability to deal with its post-oil crisis balance of payments problems).

And in virtually all areas of their business in Korea, foreign banks are now finding themselves subject to a Government-imposed squeeze, both in terms of volume and of profitability.

Finance Ministry officials explain the squeeze partly by saying that South Korea now needs carefully to control foreign currency inflows, which risk heating up inflation by further boosting money supply (the M1 aggregate shot up by 41 per cent. last year, partly as a result of stronger-than-expected services receipts in connection with Korea's phenomenal success in winning Middle East construction contracts).

More fundamentally, the officials state bluntly that the time has come for foreign banks to start taking a more mature attitude to their actvities in South Korea, and to accept an inevitable increase in competition from Korean banks.

Strength

With their new-found strength, it clearly makes sense to the Korean authorities to cover more of their fund requirements out of official reserves while seeking ever-better terms on those overseas borrowings which they must continue to make.

High liquidity in the international banking community is helping to make it easy for the Koreans to play the game.

One major restriction on foreign banks' onshore business has been reductions of up to 20 per cent. in their swap quotas with the Bank of Korea, under which they convert foreign currency to won for local lending.

According to the Finance Ministry, swaps outstanding (for 20 foreign bank branches) totalled around $330m. at the end of last year. Particularly for the oldest-established U.S. banks, with the biggest shares of that total, the cuts represented a hefty reduction of a highly profitable area of business.

For newly opening branches, quotas have been set at a uniform $5m.—half the $10m. allowed for new entrants until last year.

Permitted margins on the swaps have also been sharply reduced—although foreign bankers concede the business remains very attractive.

A carrot has been placed before all the banks in the form of a 10 per cent. increase allowed in their new swap quotas if they agree to extend won loans without local bank guarantees.

The story is similar in the case of onshore-booked foreign currency term loans. Until last year, these loans were encouraged without volume limits. Now, a ceiling of $200m. split up among all the banks has been imposed for 1978—but the total will be permitted to rise to $300m. if the banks forgo guarantees.

Further, maximum permitted spreads were slashed to below 1.5 per cent. over London Interbank Offered Rates for five to seven year loans—but banks lending without a guarantee will be allowed to charge up to 0.25 per cent. more.

The loan ceiling will clearly help to cut capital inflows, as Korean compa turn more for foreign curre loans to Korean banks (wh get their funds from the B of Korea).

The aim of curbing infl will also be served by measures designed to red offshore borrowings. Offs foreign currency loan synd tions for Korean borrow are no longer allowed amounts of less than $10m., example (these small loans be provided out of the off reserves), and the volume suppliers' credits has greatly reduced with permi interest rates seve squeezed.

Excuse

Some foreign bankers Seoul grumble that the Kor authorities have used the mo supply growth argument as excuse to crack down on for banks more strongly than circumstances warrant.

They say that with the of local overheads ri strongly, the newest for bank branches are sure to s initial opening losses, given restrictions on the volume their business—and they a that this lack of profitabl combined with the Korean for foreign bank loans wit guarantees, could lead to injudicious credit decision

Overall, however, the for banks appear to be convi that their bread rem buttered on the Korean The fact is that Korea will tinue to need huge amount foreign capital to fund its a tious development projec the capital inducement ta for this year alone is se around $1.3bn.

And although Korea is p ing hard for better terms, t is no sign of any shortag foreign banks lining up to l Two major deals so far year are a $100m. loan arrar by Citicorp for the Pohang and Steel Company (with the customary Korean guarantee), and a $300m. year facility being lined recently with a floating int rate of less than 1 per c over the London Interbank

Looking more to the fu Finance Ministry officials there will be a variety of for foreign banks here to di sify their activities, partic ing for example in development of local money foreign exchange markets.

Despite their grum foreign bankers in Seoul tinue to grow rapidly number. Assuming no minute changes of hear banks which have rece authorisations to set up the number of foreign b branches operating in S Korea will rise to 30 by the of this year, from 20 at the of 1977, and only 11 a earlier.

By a Correspond

Formula for trade success

IS THIS a recipe for an uncontrollable balance of payments surplus?

1. Start with an industrious population, trained to struggle for survival by harsh climate, overcrowding, and centuries of foreign exploitation and domestic ineptitude.

2. Launch a well-co-ordinated, all-out export drive, enlisting the support of every section of the populace. Make exporting a matter of national pride.

3. Become the first large country successfully to copy the industrial methods of the Japanese.

4. Become the first country in the world deliberately to build up export-orientated general trading companies on the Japanese model. (The Japanese versions evolved largely by accident after the American occupation broke up the trading arms of the Zaibatsu.)

5. Launch aggressive sales campaigns in skill-intensive products like ships, electronics and motors even while labour-intensive exports like textiles are still expanding at 10 per cent. a year.

6. Don't miss any opportunity. Send your fishing boats all over the world to bring back $500m.-worth of fish for export. Plan a powerful motor industry for export even though you have decided strictly to limit the use of cars at home.

Ingredients

With all these ingredients (and a little bit of statistical gimmickery), bring the rate of increase in your exports up to 30 per cent. a year. Then:

7. Leave your currency tightly linked to one of the weakest currencies in the world, the U.S. dollar.

8. Pay close attention to "experts" who warn you cannot possibly continue to increase exports as fast as in the past, and you will face a severe balance of payments deficit if you do not struggle harder than ever to export.

9—Largely omit one of your biggest and fastest growing foreign exchange earners—the overseas construction industry—from your balance of payments discussions.

In half-baked form, the result of this recipe is South Korea today, with a $1.4m. surplus on the basic balance of payments and a roaring inflation kindled by the increases in the money supply that it has caused. Government officials are confident that the surplus will not be a chronic problem—so confident that they are making no plans about what to do if it becomes one. The very lack of plans could help cause a problem.

"Korea is embarrassed by riches for the first time in history," said a Western diplomat. Foreign exchange receipts pushed Korea's money supply (M1) up by 40 per cent. last year. In reaction, consumer prices rose at a 25.6 per cent. annual rate in the first quarter of this year.

Only four years ago, many foreigners were predicting disaster for South Korea. Oil price increases raised the total import bill by 60 per cent. To-day officials and diplomats have difficulty fielding questions that suggest that Korea could be moving towards a surplus comparable to Japan.

Officials note that Korea's trade balance was still $518m. in deficit last year, and Korea has begun import liberalisation much more quickly than Japan at a similar stage of development. With little foreign pressure South Korea ended quantitative restrictions on 133 items from Monday, May 1, and announced that it would liberalise another 188 over the next four years.

"Japan never did that. They never had the courage to liberalise the things they were internationally competitive in," said a diplomat. But Korea, unlike Japan, can have a balance of payments surplus

DIRECTION OF EXPORTS
1977

	Per cent.
U.S.	31.0
Japan	21.4
Middle East	9.7
West Germany	4.8
U.K.	3.0
Netherlands	2.3
Total EEC	13.9

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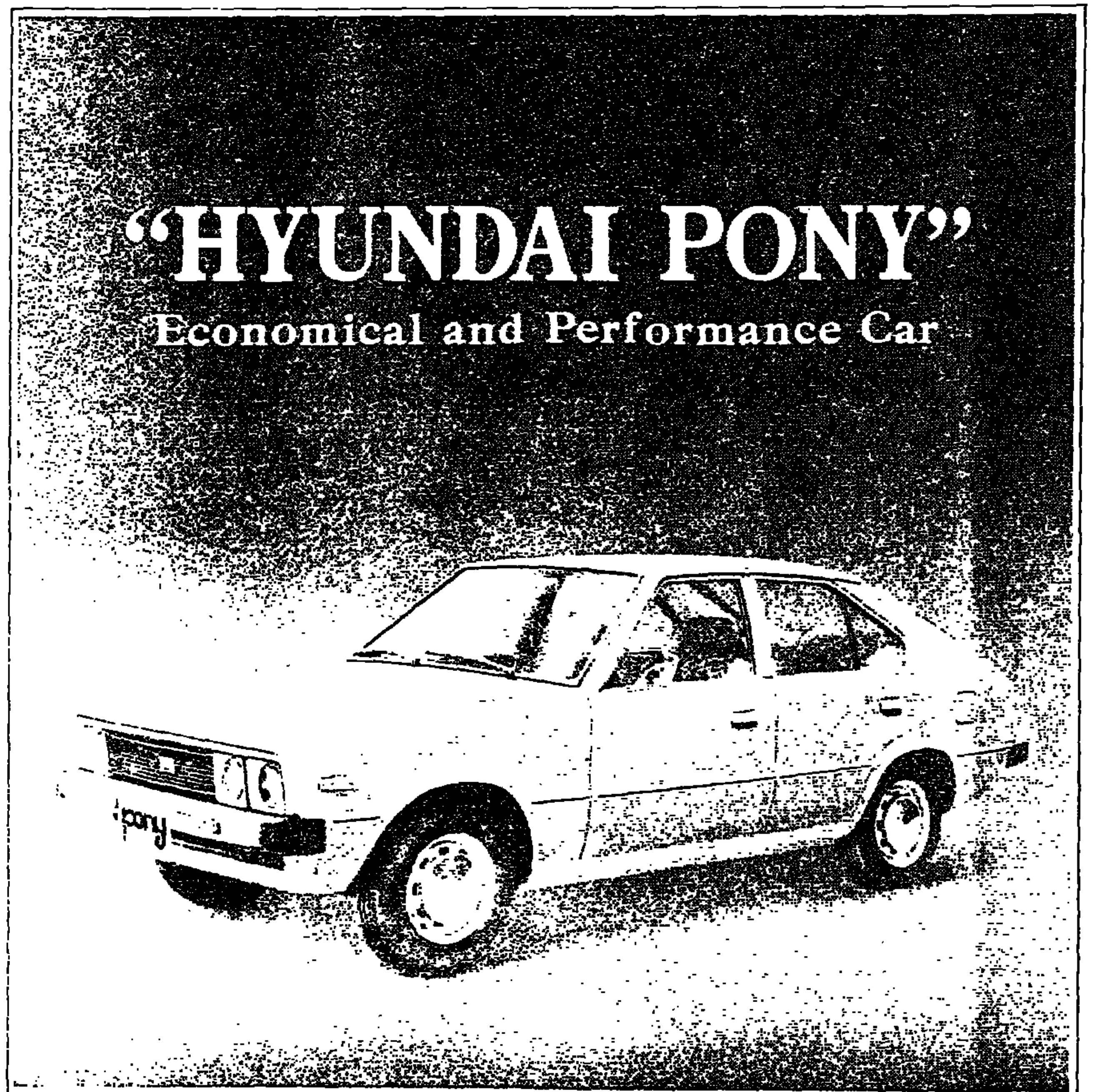

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Shipbuilders to the world

' YEAR, South Korea built cent. of the world's ships. ear, it will probably build st 4 per cent. The Koreans ot say what they expect market share to be in five but they will say they t to surpass all the nations rope and become No. 2 in orld behind Japan. They 11th *last* year in terms ders received.

le all the developed s including Britain and have organised a cartel rict *output amid a world* ilding glut, the Koreans ressing low prices and ng all the orders they can

Hyundai Heavy Industries t Ulsan is the only Korean hat is large by Japanese rds—it is the largest in rld.

the 1m.-ton dock of *ishi Heavy Industries in* ki, Japan, earlier this *he Japanese were build-* y a single 50,000-ton roll-off cargo ship. Mitsubishi s said they were barred aking any more orders e of their participation in rld cartel. But Hyundai's dock is building six ships and at one time it was g nine.

Ulsan yard also has two -ton *docks each busy* g four ships or steel res for the Middle East. i plans substantial fur- pansion. In addition the Shipbuilding and Engin- Company, a competitor ow *operates an 80,000-* acity shipyard, plans to new yard at *Okpo by* ich will be comparable to Hyundai's.

Koreans hope that the of an enlarged Suez n 1981 will bring a in the world shipbuild- ket because companies uire new ships of appro- ize.

then, the Koreans are European and Japanese ders no mercy. "We t the time has come for anced countries, based rinciple of comparative ge, to relinquish those es where they no longer rice competitiveness," official of the Ministry of *Commerce* and Industry.

There is no secret about the reason for Korean success. "I am sure cheap labour is our greatest advantage, even though its productivity is *quite low* compared with Japanese *labour," said Hee Yung Chung,* president of Hyundai Heavy *Industries, in* a recent magazine interview. Unlike some other heavy industries, shipbuilding is labour intensive. The average Hyundai wage is £190 a month, according to the company, and a 48-hour week is standard in Korea.

The shipyard works three shifts, and can finish a cargo ship eight months after receiving the order.

Once Hyundai had proposed and demonstrated the potential *competitive power* of a mammoth shipyard in Korea, it received strong financial support from the Government's *Korea Development Bank and* the rest of the Government-*dominated financial* system.

Below

Although productivity remains far below Japan's, Hyundai leads many European producers because of its large-scale and new equipment. *When planning the yard,* Hyundai men studied at ship-*yards* in Britain and at Kawasaki Heavy Industries in Japan. *Their technology* is thus "a mixture of British and Japanese," according to a company official. More recently, Hyundai has licensed ship engine technology from Sweden, Germany, France and Denmark. The *Japanese* no longer allow Hyundai men into *their yards.*

One productivity advantage of Hyundai may be that Koreans give less attention to safety than other yards. Eleven men died at Ulsan *last year, according to* company officials.

Some *20,000* men work at Hyundai's yard, including 15,000 directly employed by Hyundai Heavy Industries and 5,000 lower-paid men employed through sub-contractors. Labour peace among the 15,000 regular employees is encoraged not only by Korean restrictions on union *activity, but also by the fact that* their wages are higher than those of comparable semi-skilled workers elsewhere in Korea. In addition to wages, the company provides housing near the isolated site of the yard.

Hyundai imports most of the ship machinery it does not produce *itself*. Korea *still* has few producers of ship components, though Hyundai is trying to make more itself.

Structures

Last year the Hyundai yard was only half shipbuilder. The other half of its exports (and nearly half of its sales) was structures for the Saudi Arabian port of Jubail, towed to Saudi Arabia by barge and installed by Korean construction companies.

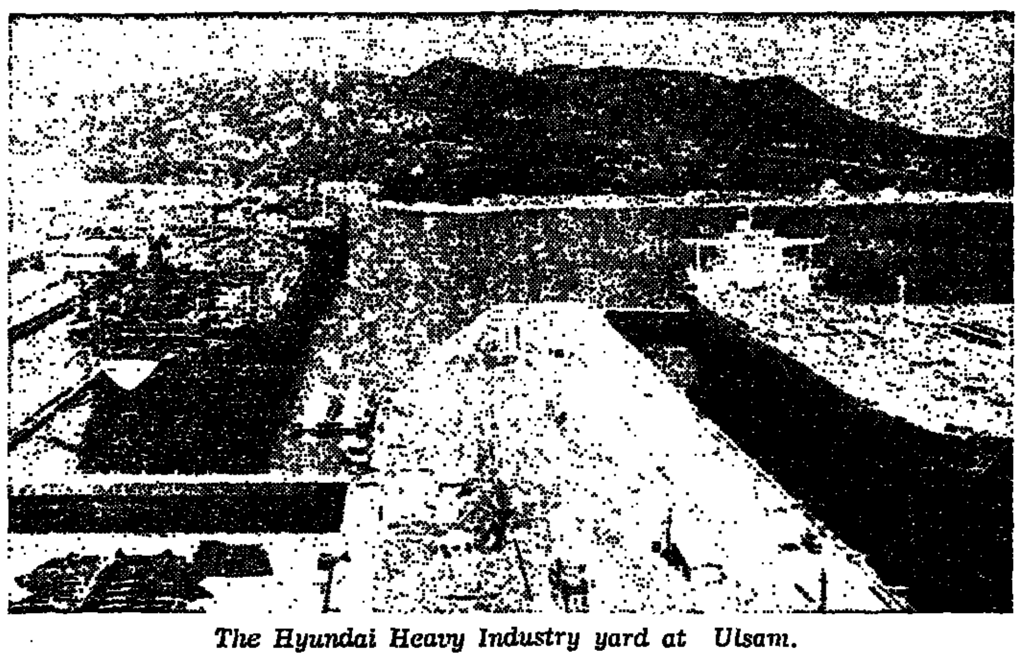
Though *most* world shipbuilders have talked about *becoming exporters of steel* structures since the shipping *market declined, none have* achieved a comparable order.

This year Hyundai expects to raise exports from $600m. to $1bn. and a much larger proportion will be ships. But Hyundai is also expanding its construction of electric generators, chemical plants, and similar sophisticated heavy products, many of them directed *toward Korea's domestic market.* It hopes to become an integrated, *technologically advanced* producer, and it recently shortened its name *from* Hyundai Shipbuilding and Heavy Industries to Hyundai Heavy Industries, to reflect its diverse interests.

Hyundai Heavy Industries is a spin-off from Hyundai Con*struction* Company, the *lead* company of the Hyundai Group. (*The* trading company, which calls itself Hyundai Corporation in English, ranks considerably below the construction company in importance, but it often represents other group companies abroad.)

The construction company and the group were founded by Ju Yung Chung, who is now the group's chairman. Hee Yung Chung, the president of Hyundai Heavy Industries, is his son-in-law. Other leading *group companies are headed by* Ju Yung Chung's brothers.

R.W.



The Hyundai Heavy Industry yard at Ulsam.

Success

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problem even without a trade surplus. Korea has two factors which Japan does not.

● A growing surplus on the services account, conservatively estimated by the Government at $465m. this year. This is caused by Korean construction companies overseas, who signed *$3.5bn.-worth of new contracts* last year. South Korea's *current five-year plan had pro-*jected a $404m. deficit on the *services account this year,* and only a slight reduction by 1981.

● A continuing need for long-term foreign capital inflow to finance domestic investment, because Koreans do not save like the Japanese. According to official statistics, household savings in Korea were only 3 per *cent. of GNP in Korea at* the beginning of the current five-year plan. They were 18 per cent. in Japan. Additional investible funds must be obtained by foreign borrowing.

If there is no current deficit to offset the inflow of loans, the money supply soars as it *did last year (the five year* plan seeks to raise Korean *household savings to 7 per cent.* of GNP by 1981. But a World Bank team found the goal "would seem too ambitious.").

Different

If South Korea finds herself as seriously "embarrassed by riches" as the Japanese, the problem will be quite different. The major effects of unbalanced Japanese trade are trade surpluses, unemployment abroad *and threats of retaliation.* The major effects of unbalanced Korean trade—*at least until the* Government achieves its ambitious targets for domestic savings—are rapid increase in the money supply, with the accompanying need to clamp down on availability of domestic credit.

Like the Japanese, the Koreans see trade liberalisation as a major cure for payments surplus problems. But also like the Japanese, their nervousness about the competitive power of *their own industry may* lead them to overestimate the effects of the measures they have to take.

The items liberalised this month were chosen because they were either raw materials, like wood pulp, or else products in which Korea is quite competitive, like wool yarn. In other words, the Government chose items whose import volume is unlikely to rise greatly even with liberal*isation. The liberalisation will* produce only $200m. in extra imports, according to a *Ministry* of Commerce and Industry estimate.

Finished woollen textiles, an item which is certainly not an *infant industry* and which *the* British Embassy believes could sell in Korea, will not be liberalised until 1982. Restrictions on Scotch whisky imports will continue to keep the price at £25 a bottle. But Korean officials *stress* that the *liberalisations* they have just announced were only the first steps.

A leading Government economist denounced Japanese trade barriers with a genuine note of disdain. "Aren't all the Japanese people—*farmers*, unemployed people, everybody—aren't they paying ten times the international price of beef?" he asked. "What are they doing for the consumer? Everyone is a consumer."

He said it would take time to liberalise items like whisky, which Koreans consider "conspicuous consumption," but Korea could not fail to expand imports along with its exports.

South Korea's imports of *British goods have not been* growing so rapidly, however. Korea exports 135 per cent. more to Britain than Britain exports to Korea. Britain's major purchases are textiles (£72m. worth, nearly equal to all Britain's exports to *Korea*), tobacco (one of the fastest growing of Korea's exports to the world as a whole) and wood products.

Machinery

Britain's major export to Korea *is* machinery. The Koreans are encouraging imports from Europe to diversify their source away from the U.S. and especially away from Japan, with its higher priced yen and history of aggression against Korea.

In diversifying import sources, the Koreans will have access to a tool that is also one of the most important in their export drive—their general trading companies. These 13 trading companies deliberately copy the style of Japan's Mitsubishi Corp., C. Itoh, etc. The Koreans are *evolving their traders carefully,* while the Japanese companies *evolved largely by accident.* The Koreans' strategy exemplifies *their export tactics.*

In Japan, there were two large trading companies, Mitsubishi and Mitsui, before World War II. They were closely tied to the two largest Zaibatsu groups, and they had little incentive to help outsiders.

After the American occupation broke up the Zaibatsu, nine textile and steel traders *expanded into general trading* companies. In the resulting *competition for business,* the trading companies proved excellent conduits for information about foreign technology and foreign markets, and excellent organisers of consortiums. They enabled medium-sized Japanese companies to compete with much larger *multinationals.*

All this surprised the Japanese as much as it surprised anyone else. Several foreign countries other than South Korea tried to duplicate the trading companies, but with modest success.

In 1975 South Korea *announced* that *traders* exporting products worth more than $50m. a year *could* be designated "general trading companies." There were "no specific privileges," for GTCS, but in an economic system like Korea's *or Japan's, companies* know they will benefit from *following Government* advice.

To-day there are 13 GTCs handling about a third of Korea's exports. One example of the "prompt and generous *attention*" given *GTCs was the* Government's move last month (April) to allow each GTC to borrow up to $10m. for financing exports on an up-to-three-year deferred payment basis. Export financing for other *Korean companies is limited to* six months.

The largest GTCs have copied the Japanese model even to the extent of using names in English that seriously misrepresent the nature of the *companies. (Mitsubishi Cor*poration to-day does not really *head the Mitsubishi Group.)* The trading company affiliated with the *Hyundai* Group in Korea calls itself Hyundai Corporation, which in overseas markets will imply that it is the head of Hyundai in the same *sense that International* Telephone and Telegraph heads ITT subsidiaries. But in fact each major company in south Korea's and Japan's industrial groups has different stockholders and independent management.

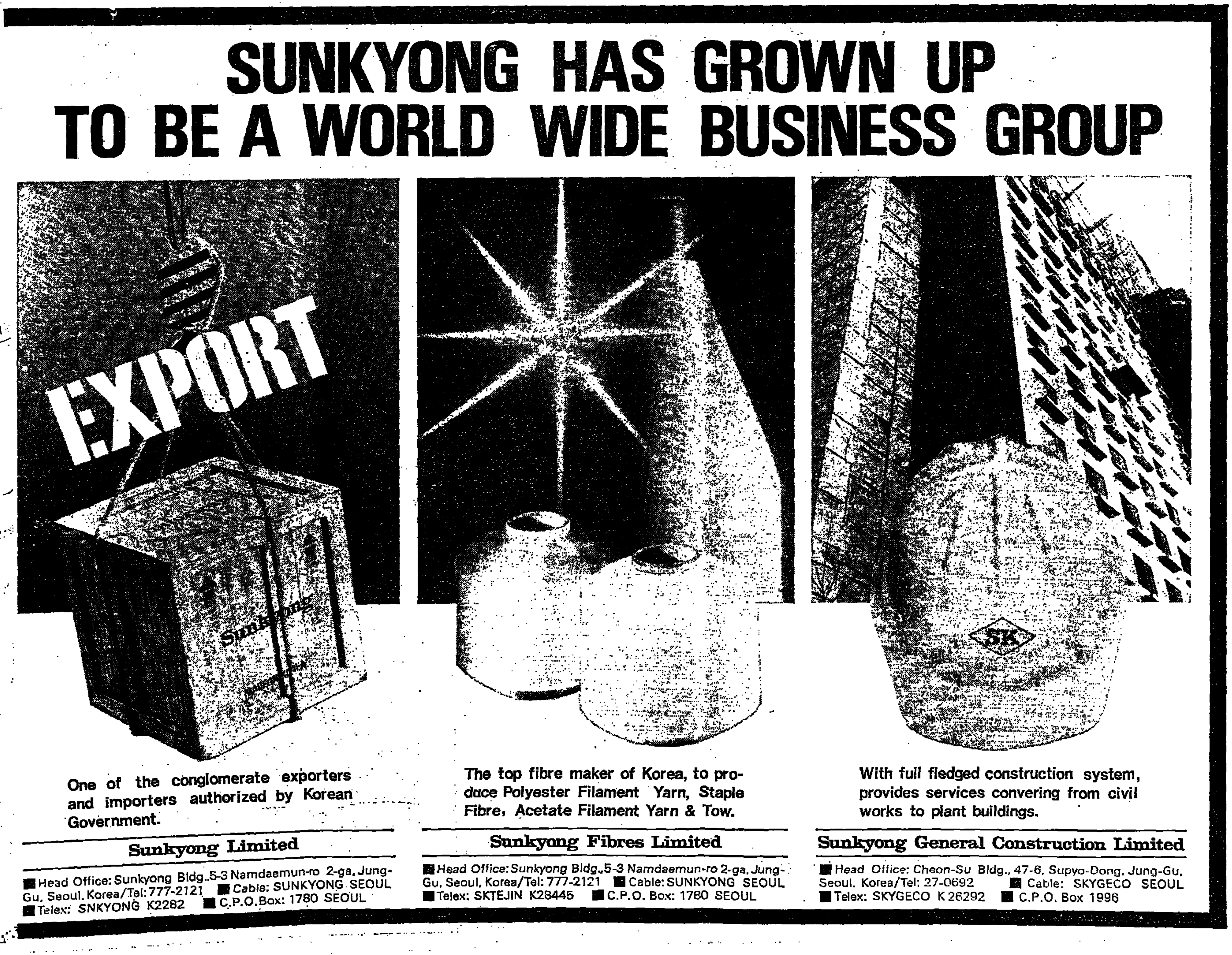
Each *company can do* business with any company outside *the group when* that is in the company's interests. The groupings are quite loose in Japan, and are becoming loose under Government guidance in Korea.

It is competition between the trading companies that has made *the Japanese* versions valuable spreaders of information. The evidence so far is that South Korean traders are accomplishing the same thing.

R.W.

EXPORTS 1977

	Per cent.
Light industry	52.7
Textiles	31.1
Plywood	4.2
Footwear	4.8
Heavy industry	32.8
Iron and steel	3.7
Machinery	2.8
Electronics	9.1
Other	14.5



Building boom continues

A VISITOR from Japan to South Korea is struck not so much by the volume of building activity but, instead, by the simple fact that Korean construction is undergoing a private-sector boom at a time when the flurry of projects in Japan is almost exclusively Government led. Indeed, in early March the South Korean Government decided to put off public works construction until the second half of the year. About $100m. in State spending will be affected, but it will reduce the strain on supplies of building materials which first became acute in late 1977. The Government also imposed an export ban on cement from South Korea retroactive to January 1, ensuring that the estimated 15.2m. tons of production this year will go to cover the country's domestic needs.

No doubt the major factor contributing to materials shortages has been the overseas construction boom for South Korean contractors. Nearly a fourth of Korea's 531 licensed construction companies are also authorised to undertake overseas projects. By 1977, the level of construction contracts signed annually had grown from just over $2bn. in 1976 to $3.1bn., and Mr. Shin Hyung-Sil, the Minister of Construction, recently estimated that new contracts in 1978 will touch the $4bn. mark.

Squeeze

The boom has created a squeeze on building materials and construction manpower inside South Korea, and will only be partially abated by the drop in cement exports in 1978. On the other hand, Seoul recently authorised Korean companies to act as subcontractors on overseas projects—an indication of a sustained long-term presence in overseas civil engineering projects. (What South Korea loses in terms of cement exports to the Middle East in 1978 it hopes to make up in selling cement plant) — last July. Hyundai Corporation contracted to deliver a $150m. plant to Saudi Arabia, and talks are underway on seven more contracts between other countries and the Korean industry.

Thus there is no reason to expect a slowdown in overseas construction business, and Mr. C. W. Choi, president of the Association of Korean Contractors, explains this phenomenon as "Korea's way to provide its construction companies with huge-scale projects not affordable inside Korea" (unlike Japan, where billion-dollar contracts to single firms are not unheard of). Moreover, few experts see any dropping off for at least the next two to three years in the number of South Korean workers employed on overseas construction projects—estimated at about 40,000 in the Middle East alone. And since Seoul is planning to step up its oil purchases by about $300m. a year (to $2bn.) starting in 1978 as part of a plan to stockpile at least 60 days of crude oil (from 35 days' equivalent at end-1977), there is every reason for South Korea to boost its "offset" earnings further to pay its oil bill. Details are not yet available, but it appears likely that in 1977 South Korea's invisible receipts (primarily pay remittances) from overseas projects will exceed the $1bn. mark, about five times the 1976 level—thus letting South Korea swing its balance on current account with the Middle East into surplus (perhaps the first non-oil developing country to do so).

The huge increase in invisible receipts, largely attributed to overseas construction projects, has nonetheless had a negative impact on Korean prices by unleashing the money supply. It has also forced up prices of building materials (like cement) at a time when the domestic industry (like the overseas one) is in-full bloom.

In fact, the domestic boom is at least as impressive as the Middle East one. Overall, South Korean companies earn about half their income from projects inside the country. And although the ratio is about 65:35 in favour of overseas projects at the "majors" (Hyundai, Drelim Industrial Construction, Dongah Construction and Samwhan), the importance of the home market is growing.

Permits

Housing construction in the first quarter of 1978 (3.1m. square metres) was up 74 per cent. on level of a year earlier, and new building permits in February were nearly double the previous February's level. According to the Korea Housing Bank, the demand for new flats in urban areas averages between ten and twenty times supply, and new rules on savings at the Government-owned building society have pushed the level of deposits at KHB in the first quarter of 1978 about 73 per cent. up on the previous quarter's level.

The real key to Korea's construction boom, however, has been the steeper-than-average rise in industrial construction. The Ministry of Construction must approve construction plans for industrial, residential and commercial buildings, and a recent survey of approvals in 15 major urban areas put the rise in industrial building approvals (by square metres) up 159 per cent. (from January to March) on the previous year's figure. By contrast, new approvals for residential construction posted a 69 per cent. increase in the period, and commercial premises a 27.5 per cent. rise.

It is expected that the postponement of new public works spending until the second half of 1978 will largely relieve the current strain on construction materials. Korean officials also are studying ways to smooth out the disruptive effects of ov seas projects on the ho market. There are plans have major cement firms bo their production, and ove plans to boost iron and ste output capacity will also stepped up. Still, the constru tion industry in the pres boom must tackle two importa problems if it is to stay on t of the boom: one is labour co and the other is overcrowdi inside the industry.

According to Mr. Choi, t flight of construction personn to the Middle East has caus shortages of skilled labour some South Korean constru tion sites. Typically, the b companies which can afford pay higher salaries are able attract the best-qualified p sonnel. Nominal wages ov seas are about twice the le in South Korea, and on top the standard $500 a month p as salary the contractor usua forks out another $500 a mo in living, transport and ot labour costs. Until 1976, t wage differential was less cause many Korean compan took advantage of the depres domestic industry to h workers abroad with extrem low wages by international c parison. Even to-day, a g wage for a construction wor in the Middle East may about a third of what Europ or American personnel ea But the Seoul Government in vened in early 1977 and, acco ing to Mr. Choi, has instruc all companies to pay not l than $470 a month to overs construction personnel.

Wages

The move to put a floor un the wages paid to overs workers naturally pushed wages in the domestic indus In 1977 the average wage p in the home industry 150,000 won compared w 120,000 won a year earlier increase of 25 per cent. The r in wages has put up the gene cost of construction inside So Korea, and it remains to be se whether in time Korean work overseas will be drawn back take jobs at domestic build sites, possibly jeopardizing sales push of companies abr

Overcrowding is a more ac problem for the Korean c struction industry. There is over-abundance of small fi (usually with less than 50 ployees) which account for o three-quarters of the numbe Korean construction compan In fact, many smaller compa have been absorbed in rec years and the list of authori contractors is down to 531 fr about 700 two years ago. M have been taken over merged with other small c panies by major indust groups seeking a foothold in lucrative construction busin Still, the concentration "power" in the few major c struction firms has meant growing inability of sma firms to compete for labour the already tight market, many observers reckon the o long-term solution is the par of the industry's ranks perhaps by more than half.

D.

Electronics expansion

SOUTH KOREA'S electronics industry is following in the big footsteps of the Japanese. "Last year Korea achieved $10bn. in exports, and $1.1bn. in electronics items," says Mr. Y. S. Park, executive managing director of Dongnam Electric, South Korea's fourth largest electronics company by its own reckoning. "What the Japanese accomplished ten years ago, Korea is achieving now."

"And after the Japanese achieved $1bn. their exports seemed to increase very briskly," he added, noting that to-day the Japanese export more than $10bn.-worth of electronics each year.

South Korea's electronics exports are already increasing very briskly. In 1970 they were worth less than one-twentieth what they are worth to-day. Korea is deliberately following strategy learned from Japan. This includes:

- Aggressive borrowing of technology from abroad through licensing and joint venture agreements, often with companies that are below the top of their fields internationally and therefore are not big exporters themselves.
- Careful step-by-step government guidance of the industry's development.
- Widespread sub-contracting from big companies to smaller companies which pay low, competitive wages.

Growth

For Dongnam, South Korea's growth in electronics has meant a rise from zero to £20m. in annual sales over a decade. Mr. Park expects sales of £80m. a year by 1981.

But the strategy behind South Korea's growth is much more clearly visible at Dongnam's biggest and toughest Korean competitor, Samsung Electronics. Samsung was founded in 1969. It is the newest of the country's big electronics makers, and also the strongest. It surpassed Dongnam within five years of its founding and to-day it claims to be number one to Dongnam's number four. numbers two and three, by Samsung's calculations, are Gold Star and Daehan.

The strength of Samsung Electronics lies in its links to the Samsung Group, a conglomerate that began when Mr. Byung Chull Lee, the founder, opened a rice shop in 1938. The group now includes key Korean companies in textiles, industrial machinery, chemicals, shipbuilding, construction, broadcasting, leisure services, agriculture, retailing and foreign trade.

Mr. Lee owns the largest share of each company, but the Government has been encouraging public ownership and separation of ownership from control for each company in all South Korea's conglomerate industrial groups. The group is thus evolving into loose industrial coalitions similar to post-World War II Japanese groups like Mitsubishi.

The Government encouraged Samsung's entry into electronics in 1969 because the group — though still small by international standards — had the power and international connections needed to bring modern technology into the Korean electronics industry.

When South Korean television manufacturers like Dongnam began producing in the mid-'960s, they simply assembled parts produced by manufacturers in Japan. Even to-day, according to Mr. Park, the cost of imported parts equals 65 per cent. of the value of the country's electronics exports.

Samsung Electronics distinguishes itself from its competitors by its independence from foreign suppliers. Mistaking an "R" for an "L" in typical oriental fashion, a company

CONTINUED ON NEXT PAGE

A bright future in special steels

ARLY NEXT month Ki Young eo will leave Pohang, South orea, for Ohio, where the chnicians of Electric Furnace ill teach him to produce licon steel.

A few years from now, the oreans hope to export silicon eel, and a few years after at they expect to export the achinery necessary to make it. ney will deal a severe blow the steel and machinery in- istries of Japan and the U.S., hich, according to the Koreans, w dominate the world licon steel market.

Korea's future silicon steel ports will only slightly affect ectric Furnace, however. ectric Furnace is not the eading producer of silicon eel equipment in the world even in the U.S.

The Koreans' aggressive tack on silicon steel tech- logy is one more reason to lieve Korea is on its way to coming a major power in avy industries like steel. It o shows that the reluctance top companies in the veloped world to sell their owledge need not block in- nious newcomers from getting ld of similar knowhow some ier way.

heaply

Yeo and other company men Pohang Iron and Steel OSCO), Korea's semi-Govern- ntal integrated steelmaker, y they could have bought a icon steel plant more easily l cheaply from Nippon Steel Japan or from Aramco, the ding U.S. silicon steel-maker, n from the consortium in ich Electric Furnace is par- ipating. Nippon Steel origin- y bought its technology from amco, then distributed it oughout Japan and its pro- cts throughout the world. sco men said.

Both Nippon Steel and amco remember how amco's sale to the Japanese eated a tough competitor. ppon Steel is willing to sell a con steel mill, but not the knowhow for re-export. Aramco is willing to license the knowhow, but only with strict limitations.

The consortium that is helping Posco enter the silicon steel business includes with Electric Furnace, Aetna Standard Engineering and Allegheny-Ludlum Steel, America's No. 2 silicon steel maker. Its members have a much lower world market share to begin with, so they have less to lose by selling their technology to the Koreans. "The terms and conditions are very good," said Chang Ho Choi, a Posco man who teaches English to Yeo and other Pohang trainees going abroad. "We think in this case, No. 2 is the best."

Silicon steel is used mainly in electric motors. Korea now imports her silicon steel mainly from Japan.

The Japanese built the first stage of the Pohang mill. It was one of Japan's first major steel mill exports. The Japanese designed and financed a 1.03m. ton-a-year first stage after the world bank rejected a 600,000 ton-a-year proposal put together by a Western consortium as uneconomic. The mill to-day retains the basic layout created by the Japanese, with iron moving in a U-shaped pattern from ore unloaders and blast furnaces to oxygen furnaces, rolling mills, and product shipping areas.

Korea received the Japanese help with Pohang's first stage in 1969, in the days before the oil crisis, when the Japanese expected steel demand to expand virtually for ever. Back then, Japan worried very little about creating new competition.

Since then, things have become tougher, but the Koreans are in a uniquely good position to learn from the Japanese even when the Japanese do not want them to. "For Japan and Korea Chinese characters have the same meaning. Only the grammar is different," said Hong Chong Lee, vice chairman of the Korea Iron and Steel Association. In China itself, many characters have significantly different usage. Korea was a Japanese colony from 1910 to 1945, and everyone who attended school was required to learn Japanese. Thus older Koreans can read Japanese technical publications. Younger Koreans can read them with only a little study.

Declining

The direct Japanese role in Pohang's construction is declining with each successive stage. The fourth stage starting this summer will be entirely Korean.

Posco men are an elite in every sense of the word. Their wages range from about £170 a month (which is about average for technicians in South Korea according to government statistics) to £340 a month, about double the average. That is still far below Japanese or American levels. But more striking than pay are the recreation, housing and other benefits. Unlike welfare facilities at a major Japanese mill, the facilities at Posco compare favourably with those at the best private American college campuses or quality suburban apartment complexes.

A Posco public relations man said the excellent facilities were necessary to lure top men to the isolated mill site and maintain their morale. "If you gave them the same type of salary and the same type of fringe benefits, they would rather work in downtown Seoul," he said.

But Yeo said he liked living in Pohang, where a small beach resort continues to be washed by clean water from the Japan Sea despite the construction of the mill.

Posco men are proud of their "cleaning" efforts, though air-pollution is noticeably worse than at similar facilities in Japan.

A company official said the Government largely determines Posco salaries, but company president Tae Joon Park decides and implements company welfare policies himself. Park is a retired general known for his cleanup of the corruption-ridden Korea Tungsten company in the 1960s.

Not all the workers at Pohang are as lucky as Yeo and other regular Posco employees, however. Even to-day, five years after the plant opened, construction men working on the third and fourth stages of the mill still outnumber regular Posco employees by 15,000 to 10,000. None of them get access to welfare facilities comparable with those of regular Posco men.

"Steelmaking is not so much capital intensive as construction-labour intensive," said a Japanese steelman worrying about Korean competition last year. He noted that even a capital-rich country cannot produce steel cheaply if it must pay high salaries to the construction workers who build the plant. In Korea, construction labour is plentiful, and construction companies compete to participate in a project like Pohang because it will give them valuable experience. Every major Korean construction company is now working there.

In addition to regular Posco men and construction employees, there are also 4,000 employees of "co-operating contractors" in the mill, receiving much lower wages than regular employees. They do dirty jobs like cleaning and laying heat-resistant bricks.

Contractors

"They have their own gate, and a lot of country boys coming out of there are pretty dumb," commented a Posco public relations man. The practice of requiring sub-contract employees to use a separate gate was common in pre-World War II Japan, but it has been abandoned in at least some newer Japanese mills.

Compared to the Japanese steel industry, Korea's is still very much an infant. The Pohang mill's capacity is 2.6m. tons a year to-day, it will be 5.5m. tons when the third stage expansion plan is completed this summer, and it will reach 8.5m. tons with the completion of the fourth stage in 1981. That compares with 14m. tons potential capacity at Nippon Kokan's Fukuyama works in Japan, which is the largest in the world. The Japanese have a total of 140m. tons of installed integrated steel mill capacity.

Although Pohang exports 23 per cent. of its production, Korea imported 600,000 tons more steel than she exported last year. Imports were 1,200,000 tons of finished steel, including many types of special steel Korea does not yet produce, and 800,000 tons of hot rolled coil, a basic semi-finished product for which Posco's production capacity has been insufficient.

When the mill's third stage expansion is completed this summer, Korea will turn into a net exporter, at least temporarily.

The Posco mill has received infant industry import protection against the Japanese. It is Korea's only integrated steel mill, but when the fourth stage is completed in 1981, many of the construction workers there are expected to move to the west coast of Korea to begin construction of a second mill which will be privately owned. In major heavy industries including integrated steel mills, petrochemicals, fertiliser, and oil refining, Korea has set up government corporations to launch the expensive, potentially risky first plant, then allowed private investors to establish other plants as demand expanded to justify more than one economically sized installation. Thus the government subjected its own plants to competition.

Although Korea's integrated steel industry remains an infant, in the other major type of steel production, electric furnace steel, Korea is a world leader in quantity of output. Electric furnaces use mainly scrap as their raw material. They are most efficient for producing construction materials, and no country is a more voracious market for construction materials than Korea. Of Korea's 5,114,862 tons of total steel consumption last year, 51.3 per cent. was ultimately used for construction.

In 1975 Korea's electric furnace steel industry surpassed Japan to become the biggest importer of steel scrap from the U.S. Last year Korea imported 1.7m. tons of crushed Chevrolets and similar junk across the Pacific Ocean in special scrap carriers.

R.W.

Electronics

CONTINUED FROM PREVIOUS PAGE

brochure proudly declares the company "turns out all the necessary parts, and thus breaks away from the prevailing practice in the electronics industry."

The Government has encouraged Samsung Electronics to draw on personnel and experience from other Samsung companies, attract technology from abroad and begin production of dozens of technically advanced electronic components. Import protection is guaranteed until local technicians develop the skills to be internationally competitive. Other electronics producers are encouraged to buy key components from Samsung to guarantee a market large enough to justify production on an economic scale.

Samsung has a joint venture with Corning of the U.S. to produce glass for picture tubes, a joint venture with Sanyo Electric of Japan to produce tuners, electrolytic capacitors and fly-back transformers, a joint venture with Nippon Electric of Japan to produce receiving tubes, picture tubes and semiconductors and a joint venture with a small California company called Integrated Circuits International to produce large-scale integrated circuits and other sophisticated silicon wafer devices. Samsung has also licensed technology from Kelvinator of the U.S. to produce refrigeration compressors.

The Government tightly regulates prices on these products. In many Samsung holds a domestic monopoly. "We think the selling price is so low that it's very hard to manage," said Mr. Choong il Yang, a member of Samsung Electronics' planning department.

The price is high enough to make Mr. Park envy Samsung's Government-promoted dominance, however. Dongnam, which still imports its compressors from Japan and is therefore required by South Korean rules to export 80 per cent. of its output, finds it hard to compete with a company backed by the Government to produce its own compressors.

"I personally feel they should be produced by a special government-invested corporation," Mr. Park says. But he acknowledges the importance of Government guidance. "If every company tries to make their own parts, they'll never have any international competitive power." And Dongnam does not aspire to Samsung's status, with the extra Government interference that would accompany it. "We're enjoying being a medium-sized company."

Even Samsung remains modest by international standards. Its annual sales last year were worth £75m. compared to £9bn. for Japan's Matsushita Electric.

According to Mr. Yang of Samsung, Samsung has not broken with oriental tradition to produce every kind of part for itself, it has only sought to produce the most sophisticated parts. For less sophisticated products, Samsung has more than 500 subcontractors. Although there are no statistics on the number of workers the subcontractors employ, their importance is indicated by comparing the 500 subcontractors to the total labour force employed directly by Samsung and its joint ventures: 12,000. Samsung has one subcontractor for every 24 employees.

In Japan, companies subcontract more work than western companies at least partially because subcontractors are rarely unionised and thus their wages are lower. Managements accept a moral responsibility for their regular employees—and if they did not they would face a union rebellion. But they can safely push subcontractor wages to a low, competitive level.

In South Korea, too, lower wages are a major reason for lower costs in subcontracting. But the reason why Korean subcontractors pay lower wages than larger companies is harder to see, since union activity is strictly limited in South Korea.

Mr. Yang's explanation is that, "our Government is pushing big companies to pay higher salaries, but they cannot control small subcontractors."

Average

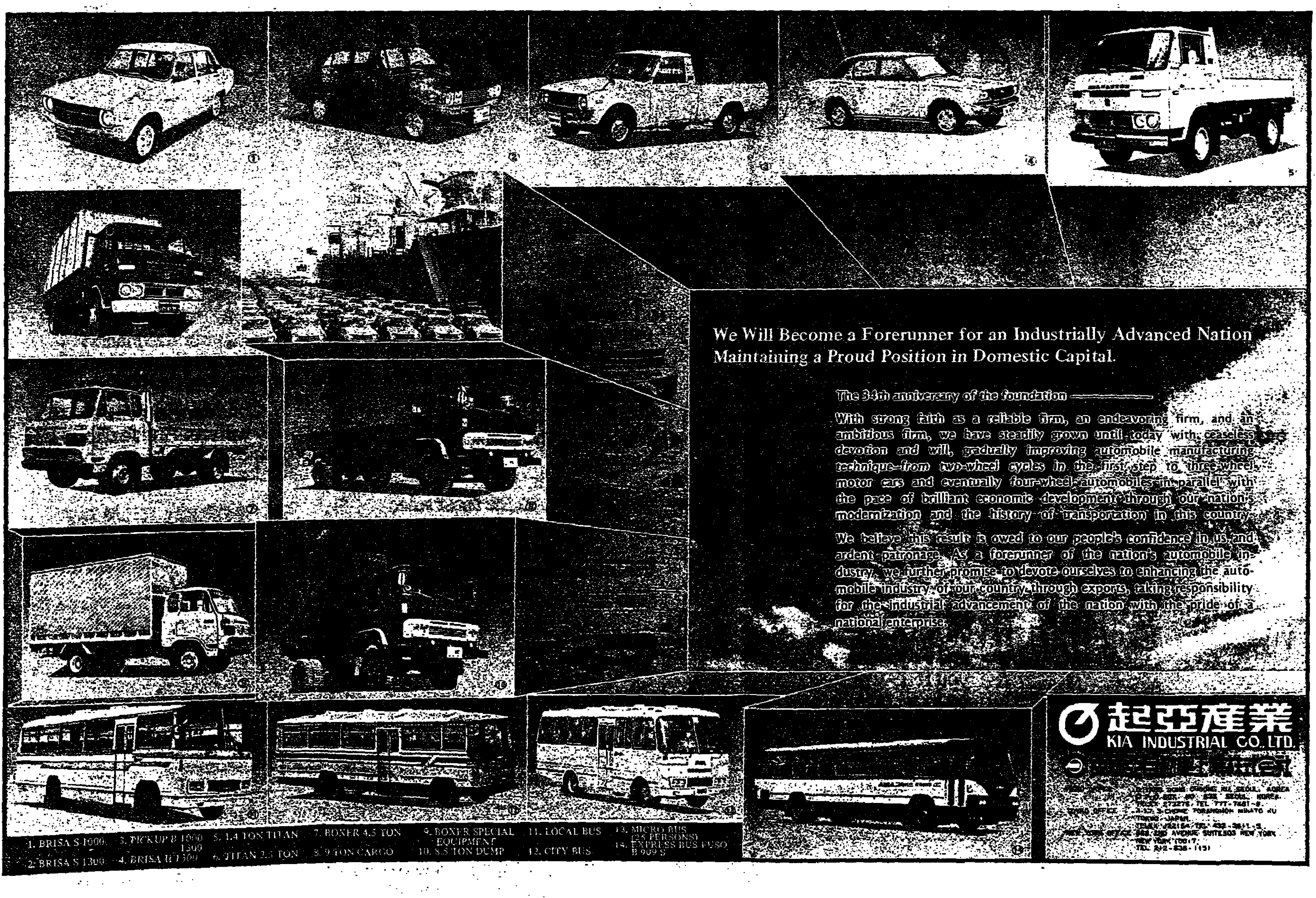
An uneducated girl starting work at Samsung gets the equivalent of £65 a month. That is approximately equal to the average wage for all manufacturing workers in Korea for 1977. If the Samsung girl becomes skilful at her work, her wages can rise to £135 a month for a 48-hour week, and she will be paid double for overtime. In addition to money, Samsung maintains a variety of company welfare services like those of Japanese companies.

In Europe or Japan many of the girls on Samsung's line would be attending high school. Most are rural girls who join the company after finishing middle school; the girls who pack the television sets slap styrofoam around the sides and push cardboard over the top.

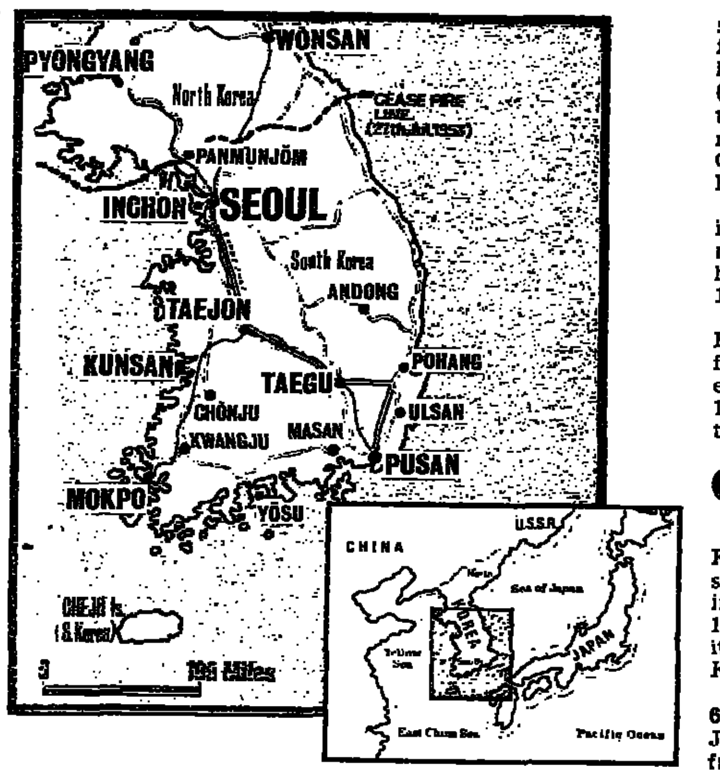
But even though South Korean girls are raised to accept hard work, it would be unwise to conclude that the employees of the Korean electronics industry, or even of the largest companies, have found a glorious escape from centuries of Korean rural poverty. The work is boring. The smell of lead solder hangs over some of the assembly lines despite ventilation equipment. Its health effects are unknown.

Girls have been marrying younger in Korea since the economy started to grow. Mr. Yang and others think many girls marry because marriage provides an excuse to escape from the plant.

R.W.



Cashing in on tourists



WHEN MOST people think of Korea they probably think of the bloody war which raged up and down the peninsula 25 years ago, or of South Korea's aggressive economic development, which has been well publicised during the past decade. But most people do not think of it as a tourist destination.

Nonetheless, that's what this small country, once so isolationist it was called the "hermit kingdom," aims at becoming. And it is succeeding.

It was only in the early 1970s that Korean planners looked about and saw the potential earning power of a tourist industry. Then they set about developing one—aggressively, as they do everything else.

In 1972 the Government even appointed a special secretary to the President for Tourism. With support for development from the top echelon of the power structure, no obstacles lasted long.

That year, South Korea had 370,000 foreign visitors who contributed about £35m. to Korea's foreign exchange earnings. In 1977, only five years later, Korea hosted 950,000 visitors, for earnings of more than £200m.

Actually, Korea had planned to have 1m. visitors last year, so it missed the mark. But the failure was not because of lack of demand. Korea had to turn visitors away. Seoul did not have enough hotel rooms.

Hotels

Accommodations have been a recurring problem ever since the tourism drive began. Korea's first luxury class hotel, the Chosun (named after the Korean traditional name for the country) opened its doors in 1970, and others followed. But by 1972 Korea was already turning some group tours away, particularly during the crisp autumn, which is the best time to visit Korea.

Seoul's room shortage continues to-day, but it should be relieved later this year, at least temporarily, by the opening of several hotels now being completed.

Presently there are about 1,000 luxury rooms in Seoul, and about 2,500 which might be called first class. By December another 2,800 luxury rooms will be available, raising the total to 6,300.

Hoteliers say they are somewhat worried about a period of slack demand, but they expect that by 1981 these new rooms, too, will be overflowing. More hotels will have to be built to keep up with the demand, they say.

Most of the new hotels include foreign investment, development, or management. The interest of international hotel chains, including some of the world's best known, clearly testifies to Korea's potential as a destination for growing numbers of tourists as well as business travellers.

Among hotels already open, the 500-room Chosun was built as a joint venture between American Airlines and the Korean Government's Korea tourist service, and the 200-room Seoul Tokyu Hòtel is operated by the Japanese chain, Tokyu Hotels International.

Both foreign companies are also scheduled to manage new hotels in the city of Kyongju, Korea's ancient capital. Their willingness to undertake new ventures can only suggest that they are happy with what they have invested in Korea's tourist industry thus far, and have no reservations about its future.

Hyatt International Hotels is negotiating to manage a 650-room hotel which will open this summer. Besides a Hyatt-Regency Seoul, there may also be a Seoul Sheraton, since the Sheraton Corporation has signed a tentative agreement to franchise another 600-room hotel soon to open. When the 670-room Hotel Shilla opens this autumn it will have technical assistance from the Hotel Okura, one of Tokyo's leading hotels.

There is also a Seoul Hilton in Korea's future. Hilton International will manage a 620-room hotel due for completion in 1980.

With all these new rooms, Korea should easily have space for 1m. visitors this year. It expects to have 2m. by the early 1980s, which will require continued investment.

Growth

At this rate of increase, Korea's visitor arrivals may soon surpass those of neighbouring Japan. Japan should also top 1m. visitors this year, although its growth is slower than Korea's.

However, in Korea, more than 60 per cent. of the tourists are Japanese. The visitor flying in from Tokyo finds the plane filled mostly with tour groups of Japanese men, very few of whom are accompanied by their wives.

As they make crude remarks about the hostesses on the Korean Airlines plane, they do little to disguise the fact that they are going to Seoul primarily because of its reputation (along with Taipei, Manila, and Bangkok) as one of the sex capitals of Asia.

This aspect of Korea's booming tourist trade has been the subject of considerable controversy in both Korea and Japan, and has drawn protests from church and women's groups in both countries.

The Seoul Government denies as false allegations the claims that it fosters these Japanese tours simply because they bring foreign exchange receipts. To dispel any image of loose morals in Seoul's hotel rooms, the police require the best hotels to prevent male guests from taking Korean women to their rooms after 11.00 p.m. (what begins earlier apparently doesn't matter).

As a consequence, after that hour hotel staff routinely stop all couples entering the elevators and, assuming that any woman with an Asian face is one of Korea's ladies of tarnished virtue, tell the women they can't go upstairs.

When it happens that the couple are happily married visitors from Hong Kong or somewhere else, and the angry husband makes it clear that he resents insinuations about the character of his wife, whose name is also listed on the hotel register, there are apologies and the couple may go up to bed. The next night the scene will be repeated with another member of the staff.

Despite the earning potential of the Japanese trade the Government would like to attract a greater share of other foreign travellers, and a smaller share (but not a smaller number) of Japanese. To broaden the appeal of Korea, the Government is developing a number of areas into new tourist attractions.

Of perhaps greatest interest is Kyongju, capital of the Shilla Dynasty from 57 B.C. to 935 A.D. Situated about sixty kilometres from the port of Pusan in the south eastern corner of the Peninsula, the old city is the most bountiful repositary of traditional Korea's remains.

The beautiful Bomo-sa Temple.

Expansion

The government has undertaken a massive expansion and development plan, rebuilding, renovating, and repainting the treasured artifacts of this Dynasty, the flowering of Korean culture.

While some Koreans and foreigners complain that the city has lost the charm of unspoiled age, the government believes the improvements will draw more tourists. Unfortunately they have also drawn those who prey upon tourists, and the foreign visitor is cheated by taxi drivers and assailed by innumerable touts wherever he goes. But most visitors are still impressed by the Shilla culture of a thousand years ago.

In addition to historic sites like Kyongju, the government is also developing resorts wherever natural features provide special attraction. For example, the government plans development of a large resort complex, including a golf course and hunting range, on its tropical southernmost island, Cheju-Do. An estimated $80m. will be i vested in the project.

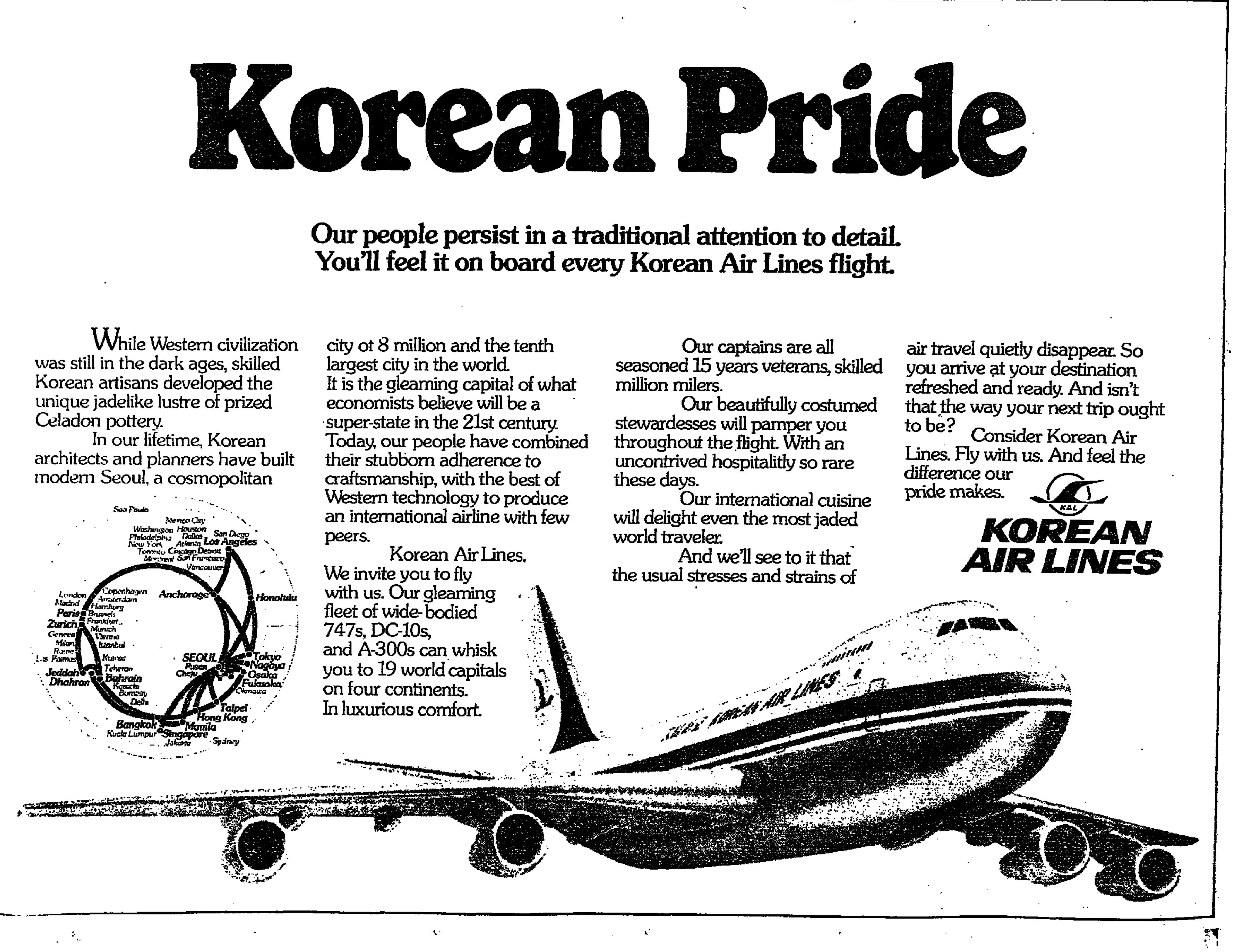
Similar developments in oth locations even include a s resort in the mountains alo Korea's rugged east coast.

Korea hopes soon to ha something to offer every visit In 1977 it held about nine p cent. of the tourism market Asia, a share it wants to i crease.

In 1979 South Korea will aga host the annual conference the Pacific area travel associ tion, which represents the touri industry throughout the regio The last time the association m in Seoul was in 1965.

Korea's foreign arriva totalled 34,000 in all of 196 Now that many visitors co every two weeks, the delegate even those from nations comp ing with Korea, cannot fail to impressed.

By a Corresponden



Why the EEC farm talks bogged down

BY MARGARET VAN HATTEM IN BRUSSELS

LAST WEEK in Luxem- it suddenly became clear something had come badly ick in the EEC's annual price review. On Wednes- night, some still hoped that meeting might be extended the week-end and the package of measures eed. But by Thursday after- n, it was evident that the were breaking down. Later night, a bitterly disap- ated Finn Olav Gundelach, missioner for Agriculture, journalists talks had broken because of "difficulties" financing the 1.9bn. units account package of aids to iterranean producers pro- ed by the Commission. ere was a considerable eas- of attitudes until yesterday," dded, but certain new diffi- es had emerged "and it me clear we couldn't finish ay."

Reforms

hat Mr. Gundelach did not but what was already com- knowledge. was that Herr Ertl. the German Minister. returned from a Cabinet ting in Bonn on Wednesday ning that Germany was un- ng to agree to the Com- ity's providing more than er cent. of the money for Mediterranean measures.

Danish President had, ier in the week, proposed the Community should pro- 50 per cent. of the funds structural reforms in Italy's ogiorno region and 35 per . for the French Languedoc- illon. At the time, Herr did not indicate any opposi-

hat is not clear is whether German Cabinet decided on ugher line on Wednesday, if so, who initiated it, with t support—and whether, even, it had the backing of Chancellor Schmidt himself. The Mediterranean package was not on the German Cabinet agenda, and in agricultural affairs, Herr Ertl is usually allowed a fairly free hand. Moreover, the Commission's proposals for the Mediterranean were published last December, but the Germans had expressed only the most vague and general reservations until last Thursday.

By an interesting coincidence, Herr Ertl also began, on his return to Luxembourg from Bonn, to press for a 3.5 per cent. rise in cereal prices, against the Commission's proposals for just under 2 per cent.

Cereal prices are built info the agricultural price structure as a whole, rather as oil prices are built into industry: higher grain prices mean higher feed costs and, hence, higher prices on livestock products. In recent years, European farmers have resisted some of the impact of rising cereal prices by importing cheaper alternatives, such as manioc root and soya. Because the EEC common wheat price is already more than double the world price, the chances of exporting surplus EEC production are slim. So a higher cereal price points fairly clearly to higher prices all round, and/or a bigger grain surplus.

Germany, as a major cereals producer, has consistently pushed for higher grain prices since the 1960s. That it should do so again this year is hardly surprising. But the last-minute announcement that it wanted a 3.5 per cent. rise has come as an unpleasant jolt, provoking speculation about a possible link with the Mediterranean issue.

On the face of it, this is patently absurd. To demur over the high cost of the Mediterranean projects and to make acceptance conditional on a higher rise in cereal prices would be illogical. Herr Ertl has made no such link. Not to the Commission, in any case. And not in public. Should he attempt to do so when talks begin again next week, however, there are those within the Commission who would not be surprised.

Over the past few months, the Commission had anticipated trouble over farm prices from Germany, and information demonstrating that German farmers are doing very nicely out of the Common Agricultural Policy has been made readily available to anyone seeking it. Though Germany contributes more to the EEC budget than any other member, its farmers (though not its consumers) gain most from the green money system, which keeps German domestic farm prices 15 per cent. above the EEC average and subsidises its exports to other members.

FINN OLAV GUNDELACH

... committed to an average price rise of no more than 2 per cent.

JOSEF ERTL

. . . what went on at the West German Cabinet meeting on Wednesday?

Farm support

Since the mid-1960s, high prices have encouraged production and curbed consumption to a point where Germans now produce substantially more than they consume in the dairy and sugar sectors. Last year Germany received a disproportionate 15.8 per cent. of the Community's farm price support fund, used to buy up surplus commodities which cannot be sold on the open market at or above a fixed floor price. And, not surprisingly, Germany is by far the biggest contributor to the Community's "mountains" of butter, milk powder, and beef.

Moreover, German farmers are economically inefficient. They use twice as much heavy machinery for the same amount of output as their French counterparts and three times as much as the British. They also use more manpower—8.6 men per 100 hectares in Germany, compared with 5.1 in France and 3.4 in Britain, according to 1973 figures.

But, with every other member-state pressing for special concessions in the form of milk-marketing boards, pigmeat export subsidies, wine-support prices, and so on, Herr Ertl cannot be expected to slink home empty-handed and tell his farmers they have been paid too much for too long, and must now tighten their belts for a long, sharp drop in their incomes.

Last year, German farmers' incomes fell by 8 per cent. in real terms, more than in any other country. British farmers' incomes, for example, were unchanged in real terms, French farm-incomes rose 8.6 per cent., and Ireland's by 21.5 per cent. Moves to bring green currencies back to foreign exchange market rates, according to the Commission's plans, boost farm incomes in the weaker currency countries such as Italy, France, Ireland and the U.K.—all of whom have devalued their green currencies in the past six months to make a stringent prices policy politically acceptable.

Germany, for whom the Commission has proposed a 0.3 per cent. revaluation of the green Deutschemark, faces another real drop in farm incomes if prices are held down to the levels indicated by economic factors alone. The easiest way to keep the Germans happy would be to concede the smallish extra increases on the milk and cereals prices for which they are pressing. These two sectors are by far the biggest components of European farm incomes and small rises in them would boost the average price rise substantially. But further concessions here, though they might not look bad on paper initially, would mean a hefty rise in the cost of the CAP and would weaken the policy's chances of dealing with EEC enlargement.

The struggle to prop up artificially high prices for dairy products, cereals, beef and sugar—coinciding with doubts among several member states over the financing of the Mediterranean package—indicates the start of a north-south clash that has been looming for some time. Ministers haggling over the rate at which the mountains of northern products should be dismantled are fairly united in their determination that similar surpluses of olive oil, tomato concentrate, processed peaches, and wine should not be allowed to build up in the south. They insist that financial support for these products, as proposed in the Mediterranean package, should be considered only in the context of Spanish, Portuguese and Greek production, present and potential.

Extra weight

Production costs, and hence prices, in the three applicant countries are substantially lower than in the existing Community. Enlargement would increase the number of EEC farmers by 55 per cent., but the value of agricultural output by only 24 per cent. The effect on the Community budget of supporting this extra weight is clearly a factor in the present negotiations.

Reservations over the financing of the irrigation project proposed for the Mezzogiorno, and of the restructuring of vineyards in Languedoc-Rossillon to promote efficiency and higher quality, are slightly different.

Though some other members are reluctant to agree to the Community paying a high proportion of the cost, lest it set a pattern for similar projects in the new member States after enlargement, the main doubts being voiced at the moment are over cost-effectiveness. The U.K. junior Minister, Dr. Gavin Strang, raised this point last month and several member States share doubts over the effectiveness of pouring funds into Mediterranean regions.

Lemon subsidy

They all point to the "penetration premium," a direct subsidy to Italian lemon producers. It was introduced as a short-term measure in 1969 to improve the marketing and quality of the product, in the hope that Italian lemons would be able to compete on EEC markets without financial support after five years. It has failed dismally. There has been no marked improvement in quality, and the cost of the subsidy has soared from less than 4m. units of account in 1973 to 20m. units of account last year.

Further aids to Mediterranean regions are likely to follow the same pattern, say dissenting States. Moreover, structural measures to promote efficiency must mean a reduction in the farming population—and how can this work without supplementary policies in other economic sectors?

It was already clear at the start of last week that wide differences remained in major areas of the farm package under review, and that chances of getting a full settlement by the end of the week were slim. But it was expected that even without an agreement there would by this time be a consensus on most points, and a general picture of who was prepared to trade what and for how much.

The four days of intensive talks in Luxembourg do not seem to have advanced matters and there is speculation that the problems may be slipping out of Mr. Gundelach's grasp.

In the past, his reliance on behind-the-scenes diplomacy, tackling Ministers individually to wear down rough edges and overstated demands before bringing them together, has worked well. Last week, it worked less well. Instead of fostering conciliation, the series of bilateral chats with the Commissioner appear to have encouraged certain Ministers to keep returning with fresh lists of demands, and to resurrect long-forgotten quibbles.

Over-receptive

While Mr. Gundelach can be tough when facing a full Council, he may perhaps be over-receptive when dealing with one Minister at a time. What will be the outcome when talks resume next week is anybody's guess.

Mr. Gundelach has from the outset committed himself to an average price rise of no more than 2 per cent. Despite concessions last week on beef and sugar prices, he still appears determined to resist pressure for higher milk and cereals prices than already proposed.

If he can lead Ministers to an agreement without yielding here, it will be a major triumph. If not, he may be able to console himself with the prospect of an effective price freeze on all farm products for some time to come.

Letters to the Editor

ndependence f Belize

n the Premier of Belize.

r.—I write to inform you and igh you the people of the ed Kingdom of the firm rmination of the people of e to reach a secure indelence with the preservation ll its territory.

iis policy of my Government overwhelming support, and endorsed by resolution of a al National Convention of People's United Party held elmopan on April 16.

e resolution requests the ed Kingdom Government to immediately any discussions the Government of Guatewhich include the idea of cession as a means of ment of the Anglo-emalan dispute over Belize. e resolution further re- s the United Kingdom rnment to adhere strictly e relevant United Nations ations calling for the early secure independence of with full sovereign and orial integrity.

Convention of the People's d Party urges the Govern- of Belize in co-operation the United Kingdom and friendly Governments to ly pursue the alternative to independence by con- g suitable security arrange- that will ensure the safety ie Belizean people and rve the independence of

e Price.
of the Premier.
pan. Cayo District,
, Central America.

ie working eek

Mr. F. Steiner.

—The report published by epartment of Employment 28) about the possibilities ducing unemployment by ning working hours is t in pointing out the effect ge inflation of a simple cut working week. It might aave added that a much promising avenue for work g by shorter hours has opened up by the recent workers' settlement; I to the introduction of a operating week with a y working week for the ives.

system of an extended g week with shorter indi- working hours is not new; ie last 20 years retail trade anged over from a 5½-day g/5½-day operating week despread six-day trading much shorter working In the process consider- additional employment to be created, though prob- auch of it in the form of and part-time work. The bakery workers' settle- where the cutting out of ay working allows six-day ion to be continued, with imediate saving of 2,000 ie jobs, shows that this can be applied to in- The customers are off as well, and this would equally to many service ries and public services, plant presumably operates economically if it is run onger number of hours per

he remedy for unemploy- and at the same time g operating costs would o be a universal five-day n industry, with the work spread over the full six ays. Variations within the are of course possible: ndustries might prefer to alf the labour force em- fully Monday through , and the other half continuously Tuesday through Saturday: others might prefer a shift system whereby everybody worked every other Saturday and every second Monday.

The real breakthrough would come if this system were extended to all service industries and public offices, if correspondence from foreign customers for export departments and correspondence by individuals with public authorities, were dealt with on a six-day basis, and when nobody would ever have to take off time from his own work to look after personal affairs. There would be considerable social benefits, but from the purely economic point of view also cost saving and increased employment.

The real difficulty would appear to be purely psychological as the change would mean that "the week-end" would now be individuals' two-day or even three-day break, while work in the country as a whole would shut down only on Sunday.

F. M. M. Steiner.
59, Gresham Street, E.C.2.

Leasing cars

From the Group Tax Manager, Lex Service Group.

Sir,—Your survey on car leasing (April 28) was distressingly fulll of inaccurate or uninformed comment on the tax implications of leasing cars.

There are two major areas for complaint. Firstly, except where the lessee is paying tax on his current profits, and the car leased costs substantially over £5,000, there is no tax advantage in leasing. Secondly, it is not possible to obtain a tax-free capital sum at the end of the lease as suggested by Messrs. Wright and Garrett.

The Revenue can attack a lease with a low residual value in a number of ways, including disallowing the entire lease rental as a tax deduction since it is not laid out wholly and exclusively for the purposes of the trade; charging an employee who acquires the vehicle to tax on a benefit equal to the market value of the vehicle less the price paid; charging an appointee (other than an employee or relation of an employee) to tax on an "adventure in the nature of a trade"; and charging capital transfer tax if the car or the proceeds pass to the employee or director who originally used the car. In the interest of brevity, I will not list the other potential weapons in the Revenue's armoury.

Vehicle leasing is a valuable tool for general commercial reasons. The advertising of a few cowboy leasing companies has put at risk the entire structure of bona fide car leasing deals and the publicity given to non-existent tax advantages over the last year by all sections of the Press has perpetuated the myth. It is time that the facts, rather than the fiction, of car leasing were clarified.

T. Ring,
17 Great Cumberland Place, W.1.

The feathered serpent

From the Controller, Children's Programmes, Thames TV.

Sir,—On a point of fact, "The Feathered Serpent" is not aimed at a target audience of "young schoolchildren," but since it is transmitted in the later of our two-half-hour slots, it is aimed at at 10-year-old upwards. At least the quotation which Chris Dunkley (April 26) gave (totally out of context) was, unlike the other quotes picked out, in good English.

I must, however, quarrel with his description of the quote as a "verbal obscenity." It was an evil threat (historically correct, but not visually executed) uttered by a consummate villain—played with great elan by Patrick Troughton—who will . . . but I must not reveal the ending! "The Feathered Serpent" is a rip roaring adventure in the style of Ryder Haggard, Kipling and Conan Doyle—and I at least have enough confidence in my audience to believe that they will see it as such. But should a persistent six-year-old ask questions as indicated by Mr. Dunkley, then I (or Vic Hughes, himself the father of a 10-year-old daughter) would explain the meaning of the words and the symbolic meaning (to the ancient Aztecs) of the deed.

Incidentally, there is no explicit or visual violence in the series. If we are speaking of mere words, then at least 90 per cent. of the works of W. Shakespeare Esq., playwright, are entirely unsuitable for children.

On another subject, I had rather hoped that critics might (after 10 years of Magpie's very different ethos) have abandoned the cheap jibe that it is a copy of "Blue Peter." Post hoc ergo propter hoc is an adage customarily used only by the desperate!

Sue Turner.
Thames TV, Teddington Studios, Teddington Lock, Teddington, Middlesex.

Advice on pensions

From the Director of Information, Company Pensions Information Centre.

Sir,—While agreeing with Mr. Newton (April 28) that employers need to consider the cost before deciding whether to contract-in or contract-out I think it is unfair to say this has been overlooked by both Eric Short in his article and the "pensions industry" in the advice it has given.

I am surprised Mr. Newton claims that the 7 per cent. reduction in national insurance contributions for those who contract-out (on the relevant slice of earnings) is insufficient to guarantee benefits as good as the earnings related part of the state scheme will provide. The cost of providing this level of benefit cannot be known in advance but the question of whether 7 per cent. is a reasonable figure has been discussed at very great length ever since the Government first produced a figure. The original figure was 6¼ per cent. and in the face of some criticism this was later raised to 7 per cent.

Inside the "pensions industry" there has been remarkably widespread agreement that 7 per cent. is a fair figure for an average scheme. This means that for such a scheme cost considerations alone are unlikely to swing the balance heavily for or against contracting-out.

Mr. Newton goes on to say that the state scheme provides better benefits for this money since it is not looking for a profit which a private assurance company is. In terms of value for money it is not easy to compare occupational schemes with the state scheme as most of the former are funded in advance and the latter is "pay as you go."

I do wonder, however, just how many employers Mr. Newton has looked at. Many insurance companies have advised large numbers of their clients to contract-in on the basis that they felt such advice was in the best interests of their policyholders. Similarly many self-administered funds have contracted-out. Surely this cannot be the result of a widespread ignorance of the cost implications.

In addition, consulting actuaries, for example, charge fees which relate to the services they provide and they have no financial interest in persuading their clients to contract-out. Nevertheless, such firms felt that it was the right advice to give to many of their clients.

Mr. Newton says, quite correctly, that the Government has already announced that in future years the reduction in national insurance contributions for those who contract-out will be smaller than it is at present but this is neither new nor sinister. The principle was made quite clear when the terms for contracting-out were first published. It simply reflects the fact that over the years there will be a fall in the average amount of guaranteed minimum pension which a contracted-out scheme has to provide and this will affect the cost.

Of course these points do not constitute an argument that everyone should contract-out. There is a case for contracting-out and there is a case for contracting-in. Cost is a major factor that needs to be taken into account but it is not the only factor. That is why it was important for employers to seek expert advice. But to suggest that the consideration given to the vital factor of cost has frequently been inadequate is to under-estimate both the quality of the advice given by the great majority of expert advisers and the managerial ability of the employers who have had to act on that advice.

Michael Brown.
7, Old Park Lane, W.1.

Management pay

From the Managing Partner, Egon Zehnder International.

Sir,—At a time when Mr. Healey is failing in his Budget to fulfil his previous promises to restore incentives to middle managers and cut punitive top tax rates, the British Institute of Management's National Management Salary Survey (April 28) comes as a welcome reminder of what the facts really are. Our analysis of executive searches conducted in the last 12 months, reveals some additional points to those contained in the BIM survey, which may be of interest.

There has been an increasing requirement in the U.K. for senior executives to receive part of their salary paid overseas. This is because overseas compensation attracts a lower rate of taxation and this is therefore particularly advantageous with the present high U.K. tax situation.

There has been a considerable willingness of senior executives to leave U.K. jobs and go to inhospitable parts of the world in order to accumulate capital in order to save enough money for school fees.

Wage restraints in the U.K. have in particular been a major problem for senior executives in large companies. This has resulted in top men having to change jobs in order to increase their remuneration, and as a consequence, there has been a loss of cohesion and productivity all round.

Few top U.K. businessmen wish to return to the U.K. having served abroad. Sadly, and conversely, the U.K. is most attractive to non-British senior executives who get very favourable tax deals here—with the exception, perhaps, of American executives.

Britain desperately needs the best men in the top jobs, if our economy is ever to move forward in the right direction. Present Government policy is not encouraging this vitally important requirement.

R. A. B. Gowlland,
87, Jermyn Street, S.W.1.

To-day's Events

GENERAL

U.K. official reserves for April.

Capital issues and redemptions during April.

Mr. Takeo Fukuda, Japanese Premier, meets President Carter in Washington.

International Monetary Fund monthly gold auction, Washington.

India holds first of seven fortnightly gold auctions. New Delhi.

Lucas subsidiaries charged with Rhodesian sanction-breaking, County Hall, Aylesbury.

PARLIAMENTARY BUSINESS

House of Commons: Wales Bill.

House of Lords: European Assembly Elections Bill, third reading. Scotland Bill, committee. Medicines (Radioactive Substances) Order 1978.

Select Committees: Nationalised Industries (sub-committee B). Subject: Re-organisation of electricity supply industry. Witness: Mr. Anthony Wedgwood Benn, Energy Secretary (10.45 a.m., Room 8). Nationalised Industries (sub-committee C). Subject: Independent Broadcasting Authority. Witnesses: Institute of Practitioners in Advertising: Association of Broadcasting Staff (4 p.m. Room 8). Unopposed Bills Committee on London Transport Bill (4 p.m., Room 9). Parliamentary Commissioner for Administration. Subject review of access and jurisdiction. Witnesses: Justice (5 p.m., Room 7). Race Relations and Immigration. Subject: Effects of EEC membership on race relations and immigration. Witnesses: Home Office officials (5.30 p.m., Room 5).

COMPANY RESULTS

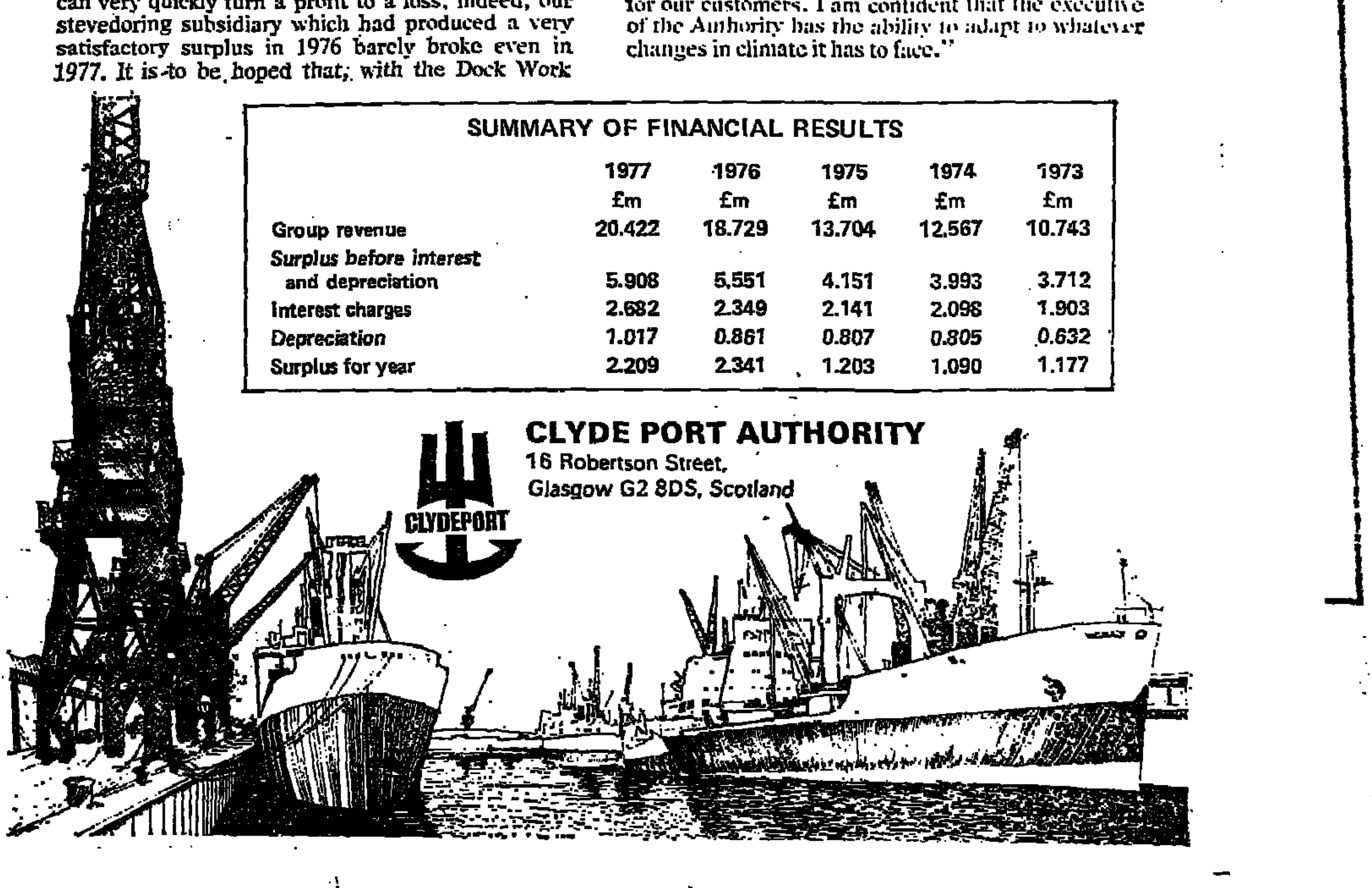
Laporte Industries (full year). Marks and Spencer (full year). Peninsular and Oriental Steam Navigation (full year). J. Sainsbury (full year).

COMPANY MEETINGS

Allen Harvey and Ross, 45, Cornhill, E.C., 12.30. British Anzani, Aylesford, Kent, 11. Cartwright (R.), Chamber of Commerce, Birmingham, 12. Fairclough Construction, Midland Hotel, Manchester, 11.30. Ford (Martin), Winchester House, E.C., 12. High Gosforth Park, Newcastle, 12. Lambert Howarth, Burnley Crest Motel, 12. McKay (Hugh), Royal County Hotel, Durham City, 12. Pittard, Manor Hotel, Yeovil, Somerset, 12. Schroders, 120, Cheapside, E.C., 12.15. Scottish Road Services, Cumbernauld, Glasgow, 10. Thurgar Bardex, Kettering, Northants, 11.30. United States Debenture Corporation, Austral House, E.C., 2.15.

SUMMARY OF FINANCIAL RESULTS

	1977 £m	1976 £m	1975 £m	1974 £m	1973 £m
Group revenue	20.422	18.729	13.704	12.567	10.743
Surplus before interest and depreciation	5.908	5.551	4.151	3.993	3.712
Interest charges	2.682	2.349	2.141	2.098	1.903
Depreciation	1.017	0.861	0.807	0.805	0.632
Surplus for year	2.209	2.341	1.203	1.090	1.177



COMPANY NEWS + COMMENT

Laing well above forecast with £21m.

ON TURNOVER of £421m. against £406m. taxable profit of **John Laing and Son** jumped from £16.25m. to a record £21.07m. in 1977. This compares with the midway forecast of not less than £18.5m.

The 1976 result was reduced by a £2.24m. provision for the reduction in value of development land.

After tax of £7.7m. (£7.83m.) and minority interests of £103,000 (£115,000), attributable profit was £13.47m. (£8.53m.). Tax was reduced £2.68m. (£1.96m.) by adoption of ED19.

Earnings per 25p share of the building and civil engineering contracting, building materials and property development group, are shown at 13.8p, and the final dividend of 1.86675p net takes the total to a maximum permitted 3.11875p against 2.82375p.

Directors point out that results in any one year are influenced by the particular contracts completed or approaching completion.

The incidence of such contracts was particularly beneficial in 1977 for overseas work, which showed a substantial turnround compared with 1976, even though new contracts have still not been obtained to the extent hoped for.

U.K. results showed some evidence in the construction and manufacturing activities of the difficult conditions which have existed in the industry over recent years and which are only just beginning to show some sign of improvement.

The directors have again carried out an internal valuation of investment properties which shows an aggregate open market value of £85.5m., compared with total book value of £47.9m. The resulting surplus is not incorporated in the accounts.

A breakdown of trading turnover in £m. and profit before provisions and tax in £000s shows: U.K.: Building and engineering turnover 294.7 (284.4) and profit 8,031 (10,526); construction materials 25.0 (22.6) and 2,531 (3,069); property development 14.9 (8.9) and 1,588 (1,244); property investment nil (nil) and 3,762 (3,129). Overseas: Construction 84.2 (89.8) and 4,299 (loss 137); property investment nil (nil) and 836 (635).

	1977 £000	1976 £000
Turnover	421,000	406,000
Property inv. income	4,598	3,755
Trading surplus*	16,469	14,701
Provision†	—	2,236
Profit before tax	21,067	16,250
Tax	7,703	7,824
Net profit	13,364	8,416
Minorities	103	115
Extraordinary losses	1,410	539
Retained	10,382	7,550

* After depreciation of £4.19m. (£2.75m.). † For reduction in value of development land. ‡ Profit.

See Lex

INDEX TO COMPANY HIGHLIGHTS

Company	Page	Col.	Company	Page	Col.
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Banro Consolidated	30	7	Low & Bonar	31	4
Bestobell	33	1	Lyle Shipping	33	1
Boosey & Hawkes	33	2	Minty	30	6
Boustead	30	8	Newarthill	31	3
Bremner	30	6	Roberts Adlard	31	7
BHS	30	7	Scot. Nthn. Invs.	31	5
CLRP Invs.	33	1	Scott & Robertson	31	1
Davies & Newman	30	6	Vernon Fashion	30	2
Eagle Star	31	1	Wadham Stringer	30	5
First Castle Secs.	31	3	Warne Wright	33	2
Hawtin	33	2	Yorks General	30	7

Vernon Fashion doubled

TURNOVER, excluding VAT, for the year to January 28, 1978, at Vernon Fashion Group expanded from £7.16m. to £10.68m. and pre-tax profits more than doubled from £0.61m. to a rcord £1.26m.

In November, reporting first half profits up from £141,286 to £203,489 the directors forecast full year profits substantially ahead of those for 1976-77.

After tax, on the ED19 basis of £202,726 (£53,539 restated) the retained balance is £935,269 (£453,139).

The dividend total is raised from 2.7462p to the maximum permitted 3.0673p net per 10p share with a final of 1.662p. A one-for-one scrip issue is also proposed.

The directors now say the growth has come both from an increase of turnover in existing stores, and has been compounded by the opening of 16 new stores.

At year end the company had 103 retail branches, stretching from Dundee in the North to Plymouth in the South.

The results reflect the successful programme of investment over the last two years in upgrading and enlarging the existing stores as well as the addition of new sites.

This programme is continuing: four stores have been opened since the year end and six further stores are planned to open within the next three months.

Were it not for dividend controls the Board would have proposed a substantially greater evlel of dividends to reflect the increased and new level of profitability.

In the current year, sales are substantially ahead of those for the comparable period last year, they add.

● comment

Vernon Fashion's impressive growth rate since going public in 1971 has continued during 1977/8, with profits more than doubled on sales almost 50 per cent. higher. Stripping out the 16 stores opened during the year, turnover is a fifth higherat a time when sales of women's, girl's and infant's clothing (including drapery) in multiple shops are barely keeping up with inflation. Vernon is almost exclusively a retailer of ladies' and children's outerwear (low-to-middle end of the market), with its manufacturing needs supplied by sub-contractors. Competitive prices have boosted volume, and margins are more than three points higher. Meanwhile, the group is stepping up its programme of organic growth—retail selling area is 175,000 square feet (80 per cent. of which is in the north of England) and there are plans to increase this to perhaps 230,000 square feet this year at a cost of around £1m. There should be no problem in financing this out of cash flow. The shares, which jumped 8p to 98p, are on a p/e of 3.6 while the yield is 4.8 per cent. This compares with 13.7 and 4.4 per cent. respectively for the stores sector.

FOREIGN AND COLONIAL INV.

Foreign and Colonial Investment Trust has arranged a new one year loan of $U.S.3m. with Morgan Guaranty Trust Co. of New York. The proceeds have been used to repay a borrowing of $3m. which matured on April 28, 1978.

Arenson growth at halftime

On turnover ahead from £4.71m. to £5.71m. taxable profit of **A. Arenson (Holdings)**, office furniture and equipment maker, climbed from £161,000 to £278,000 in the January 31, 1978 half year.

The result is subject to tax of £40,000 (£37,000), and earnings per 10p share are shown at 4.16p against 1.7p last time.

The interim dividend is up from 0.6289p to 0.69179p, and directors forecast an increase in the final payment from last year's 1.2826p. Total profit last year was £470,000 and a healthy profit growth is expected for all this year.

Mr. Archy Arenson, the chairman, says the improved trading illustrates that the business is not dependent on new building developments but comes to a great extent from requirements for replacement furniture and fittings.

In his annual report last November Mr. Arenson registered a cautiously optimistic note for the current year and said that he expected the momentum achieved last year would be maintained and further satisfactory progress would be made.

● comment

Arenson is still on the recovery trail. A first half improvement in taxable profits to £278,000 should help the group turn out around £750,000 for the full year compared with £470,000. So at 30p the shares stand on a prospective p/e of 8.5 (on fully taxed earnings) or 4.4 on a similar tax charge to the previous year. However it has not been an entirely smooth path in the first six months. Exports, which account for around 17 per cent. of sales, showed little growth in real terms. Demand in the French and Benelux markets, which take a third of export sales, was weak, and also in the Middle East which accounts for another third of export sales. In the U.K., office equipment sales were supported by a firmer trend in flat pack furniture, and this is reflected in the overall 16 per cent. increase in volume. For the current half year the group will see the full benefits of a 10 per cent. price rise, which only took effect in November. But the shares, standing at around their high for the year, seem to be allowing for this. The yield is an above average 6.5 per cent.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
A. Arenson ...int.	0.69	Aug. 1	0.63	—	1.91
BHS	3.47	July 3	3.1	6.27	5.62
Boustead	0.8	—	0.8	1.5	1.5
Bremner and Co.	2.8	July 7	2.8	3.82	3.8
Brit. Inds. & Gen. Inv. int.	1.5§	June 9	1.05	—	3.4
Clement Clarke (Hldgs.)	1.23	—	1.13	2.16	1.94
CLRP Inv. Trst. ...int.	0.8§	—	0.6	—	1.9
Davies & Newman	4.87	Aug. 1	4.38*	7.3	6.54*
Drayton Consd. ...int.	2§	May 26	1.23	—	4.7
El Oro ...int.	1.09	Oct. 4	0.99	1.09	0.99
Exploration Co. ...int.	0.54	Oct. 4	0.49	0.54	0.49
First Castle Secs.	1.49	June 21	Nil	1.98	Nil
John Laing & Son	1.87	—	2.07	3.12	2.82
Minty	2.73	July 7	2.32	4.23	3.82
Photax (London)	1.52	June 9	1.28	2.72	2.44
Roberts Adlard	2.73	July 3	2.46	4.32	3.9
Scott & Robertson	1.83	July 10	0.92	2.74	1.83
Scottish Northern	2.46‡	June 15	1.99	3.66	2.8
Vernon Fashion	1.66	Jan. 26	1.63	3.07	2.75
Wadham Stringer	1.21†	June 24	0.84	2.2	1.36
W. Williams and Sons	0.63	—	0.5	1.13	1

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Comprises 2.16p for year to February 5, 1978, and 0.3p for period from February 6 to March 31, 1978. § Increased to reduce disparity with final.

Wadham Stringer ahead £1.11m. to peak £3.36m.

PRE-TAX profits of Wadham Stringer, retailer and distributor of cars and commercial vehicles, advanced from £2.25m. to a record £3.36m. for 1977 after £1.51m. against £1.13m. at halfway. And the drectors say that 1978 has started with further improved results, and with prospects looking good in a larger car and commercial vehicle market, they forecast satisfactory results for the year.

On increased capital from last year's rights issue, stated basic earnings per 10p share are 6.57p (4.02p) and fully diluted 5.97p (4p). With Treasury consent the dividend is lifted to 2.2p (1.3585p) with a final of 1.21p net, as forecast.

	1977 £000	1976 £000
Turnover	134,831	107,668
Trading profit	4,458	3,437
Shares of assoc.	13	—
Interest payable	1,116	1,191
Profit before tax	3,355	2,246
Tax	1,549	1,135
Net profit	1,806	1,111
To minorities	54	37
Extraord. credits	117	87
Earnings	1,869	1,161
Preference divs.	28	28
Ord. interim	260	135
Ord. final	381	220
Retained	1,200	778

The company's freehold and leasehold properties were revalued and showed a surplus of £5,747,000, which has been included in the consolidated balance sheet.

The equity interest for the Ordinary shareholders now stands at £18,617,000 and this gives net assets per share of 59p as at the end of 1977.

● comment

Wadham's profits are up nearly 50 per cent. Cars set the running with a 41 per cent. increase in trading profits but the truck division proved a drag. New truck sales showed a 2 per cent. increase in volume (cars remained static) but there was a near quarter drop in trading profits reflecting margin pressures on the Leyland range which is coming towards the end of its life.

The outlook for 1978 is promising. The first quarter showed a 35 per cent. jump in vehicle volume (30 per cent. excluding the Skellys' acquisition) and though this was boosted by a Leyland promotion the flow of Leyland vehicles is better than it has been for a long time. Skellys, which takes WS into Fords for the first time, could chip in over £330,000 and a target range of £4m. to £4½m. is right for 1978. The rights proceeds have been used for the Skellys purchase, but with net cash of £2.84m. and a strong balance sheet WS is on the look out for more acquisitions. Further Ford franchises are likely, Vauxhall is being considered, and another arm to its manufacturing interests (currently boats and ambulances) is possible. Ultimately WS sees half its profits arising from cars and half from manufacturing and commercial vehicles. Meanwhile, the shares are fair value at 42½p, on a fully diluted p/e of 6.9 and yield of 8.1 per cent.

Bremner declines to £462,604

After a decline from £237,793 to £195,777 at midway, pre-tax profit of Bremner and Co., the general warehousing concern, fell further in the second half to end the year to January 31, 1978 down at £462,604, compared with £583,173.

Tax takes £238,466 (£304,018), which includes £70,512 transferred to deferred tax. A final dividend of 2.8p net raises the total for the year from 3.8p to 3.815p per 25p share.

Second half recovery by Minty

A second-half recovery meant pre-tax profit of Minty, the furniture manufacturing concern, marginally improved from £187,902 to £189,982 for the year to January 28, 1978, after a £29,354 downturn to £43,990 at mid-way.

After tax of £100,745 (£98,438), net profit for the year was slightly lower at £89,237 (£91,464). A final dividend of 2.726p net lifts the total from 3.819p to 4.226p per 25p share.

BHS improves 6% to top £27m.

ON SALES, including VAT, of £273.6m. against £244.3m., British Home Stores reports taxable profits up by 6 per cent. from £25.5m. to a record £27.02m. for the 52 weeks to April 1, 1978. After 24 weeks, profit was ahead from £7.64m. to £8.4m. and directors said that sales in the second half would benefit from new stores in Leeds and Dublin.

Profit to sales margin for the year is down from 10.4 per cent. to 9.9 per cent.

Earnings per 25p share are shown as 12.39p (11.88p) and the dividend is stepped up to 6.2729p (5.6163p) with a net final of 3.4729p.

	1977-78 £000	1976-77 £000
Sales	273,569	244,326
Trading profit	32,278	28,938
Net interest received	943	1,707
Depreciation	4,721	4,218
Pension fund	949	905
Employees' shr. schm.	300	—
Associates losses	221	19
Profit before tax	27,022	25,498
Tax	14,354	13,349
Net profit	12,668	12,155
Extraord. credit	147	250
Making	12,815	12,405
Preference divs.	21	21
Ordinary interim	2,859	2,569
Ordinary final	3,546	3,165
Retained	6,389	6,650

See Lex

Banro Consd. confident

First half results of 1978 will be ahead of the corresponding period in 1977, and the second half is looking very good, Edward Rose, chairman of Banro Consolidated Industries, told holders at the annual meeting. He was looking forward to the future with considerable confidence.

Boustead rises to £1.89m.

AFTER RISING from £0.5 to £0.83m. in the first half, profits of Boustead, which imports and exports consumer and industrial products, etc., finished ahead from £1.55m. to £1.89m.

Earnings are shown at (3.11p) per 10p share. The dividend is held at 1.5p net with final of 0.8p.

In the Far East the Singapore companies contributed increased profits over the previous year, as did the plantations, whereas Australian and New Zealand companies were affected by adverse trading conditions in the second half.

The U.K. companies continued the marked improvement in profitability.

The directors state that group trading results for the first quarter of 1978 are up to expectations, earnings in Australia and New Zealand are lower than last year.

ISSUE NEWS

Yearlings reach 9¼%

The coupon rate on this week's batch of local authority yearling bonds has risen by half a point to 9¼ per cent.—a new high for the year. The bonds are issued at par and dated May 9, 1979.

The issues are:—Eastbourne Borough Council (£½m.), Northampton Borough Council (£¾m.), City of Glasgow District Council (£1m.), Corporation of London (£1m.), Copeland Borough Council (£½m.), London Borough of Ealing (£1½m.), Cambridgeshire County Council (£½m.), London Borough of Lewisham (£1m.), Chelmsford Borough Council (£½m.), Dudley Metropolitan Borough Council (£1m.), Epping Forest District Council (£½m.), Royal Borough of Kensington and Chelsea (£½m.), London Borough of Islington (£1m.), North Wiltshire District Council (£½m.), Orkney Islands Council (£½m.), East Staffordshire District Council (£½m.), Waveney District Council (£½m.).

The Chelmsford Borough Council is raising £½m. of 10⅞ per cent. Bonds dated April 30, 1980 at par. Bridgnorth District Council is raising £½m. on the same terms.

Mendip District Council is raising £½m. of 11¼ per cent. bonds dated April 29, 1981 at par.

The following variable rate bonds have been issued. London Borough of Croydon (£1m.) dated April 29, 1981: West Oxfordshire District Council (£½m.), April 28, 1982: Central Regional Council (£2m.) and City of Nottingham (£½m.), April 27, 1983. All the variables are issued at par and with interest calculated at ¾ of a point over Libor.

SAVINGS BONDS CONVERSION

The Treasury announce that a conversion offer will be made to holders of 8½ per cent. British Savings Bonds (first subscription issue) issued between May 1, and September 1, 1973. The bonds will mature on September 1, 1978 and are repayable on application at £103 per cent. at maturity.

Holders of such bonds will be invited to exchange their holdings into 8½ per cent. British Savings Bonds (third conversion issue) which will be repayable on application at £104 per cent. at maturity.

Holders who decide not to accept the conversion offer should apply for repayment.

Quick scrip

Ford main dealer, H. and J. Quick, is proposing a scrip issue of preference shares, a one-for-one scrip of ordinary 5p shares and a consolidation of the ordinary shares into 10p shares.

Ten per cent. Cumulative preference shares of £1 will be issued to ordinary stockholders in the proportion of one for every stock units of 5p each held on April 24.

The ordinary and preference stock will be redesignated ordinary and preference shares.

At present the existing issued capital amounts to £373,000 including £100,000 in 4.9 per cent. cumulative redeemable £1 preference shares and £7,000 of 3.85 per cent. of cumulative £1 preference shares. These two categories remain unchanged under the proposals, which will increase issued capital to £1,122,636. will include £483,636 of the preference capital plus ordinary shares issued under the scrip doubling that class in issue £532,000.

Dealings in the new shares expected to start on May 30. extra-ordinary general meeting called for May 25.

Davies & Newman slumps £1m. to £0.8m.

WITH AIRLINE company contributions cut by air traffic control disputes in the U.K. and the continent, taxable profits of Davies and Newman Holdings dropped from £1.88m. to £0.8m. in 1977, despite turnover climbing from £79.4m. to £100.65m.

At half-time, when a reduced loss of £0.98m. against £1.41m. was reported, a lower overall result for 1977 was forecast.

Mr. F. E. F. Newman, the chairman, says that this was all the more disappointing in view of the high level of activity prevailing in the airline companies and the earlier expectations of previous profit levels being exceeded.

As well as the controllers strikes, fluctuations in foreign exchange and interest rates also had a considerable influence on profit levels. The group also lost a Boeing 707 cargo jet in May which increased costs.

These adverse factors were offset to some extent by lower depreciation charges on aircraft and related spares.

After tax of £464,000 (£1.03m.) and minority interests of £5,000 (same), earnings per share are shown at 6.9p (17.4p). A final dividend of 4.86882p net per 25p share takes the total to 7.30356p against 6.539p last time, after adjustment for a one-for-ten scrip issue.

For the future Mr. Newman says that since the end of the year two further Boeing 727/100 series aircraft have been added to its fleet and further contracts have been concluded for HS 748 aircraft for work in support of North Sea operations.

The leased Boeing 707 freighter is being returned to its owner and further changes are planned which should concentrate group activities and produce better financial results.

In spite of the shipping recession, the shipbroking company should continue profitable and, given satisfactory summer flying in line with our budgets, the group should return to greater profitability in 1978.

	1977 £000	1976 £000
Turnover	100,652	79,404
Operating profit	937	1,730
Invest. income	287	593
Interest payable	460	434
Associated profits	38	3
Profit before tax	802	1,882
Tax	464	1,032
Net profit	338	850
To minorities	5	5
Attributable	333	845
Interim dividend	118	105
Final	237	†212
Less dividends waived	47	—
Retained	25	528

† Second interim.

Meeting, Essex Room, E.C., on June 1 at noon.

Yorks. General bonus raised

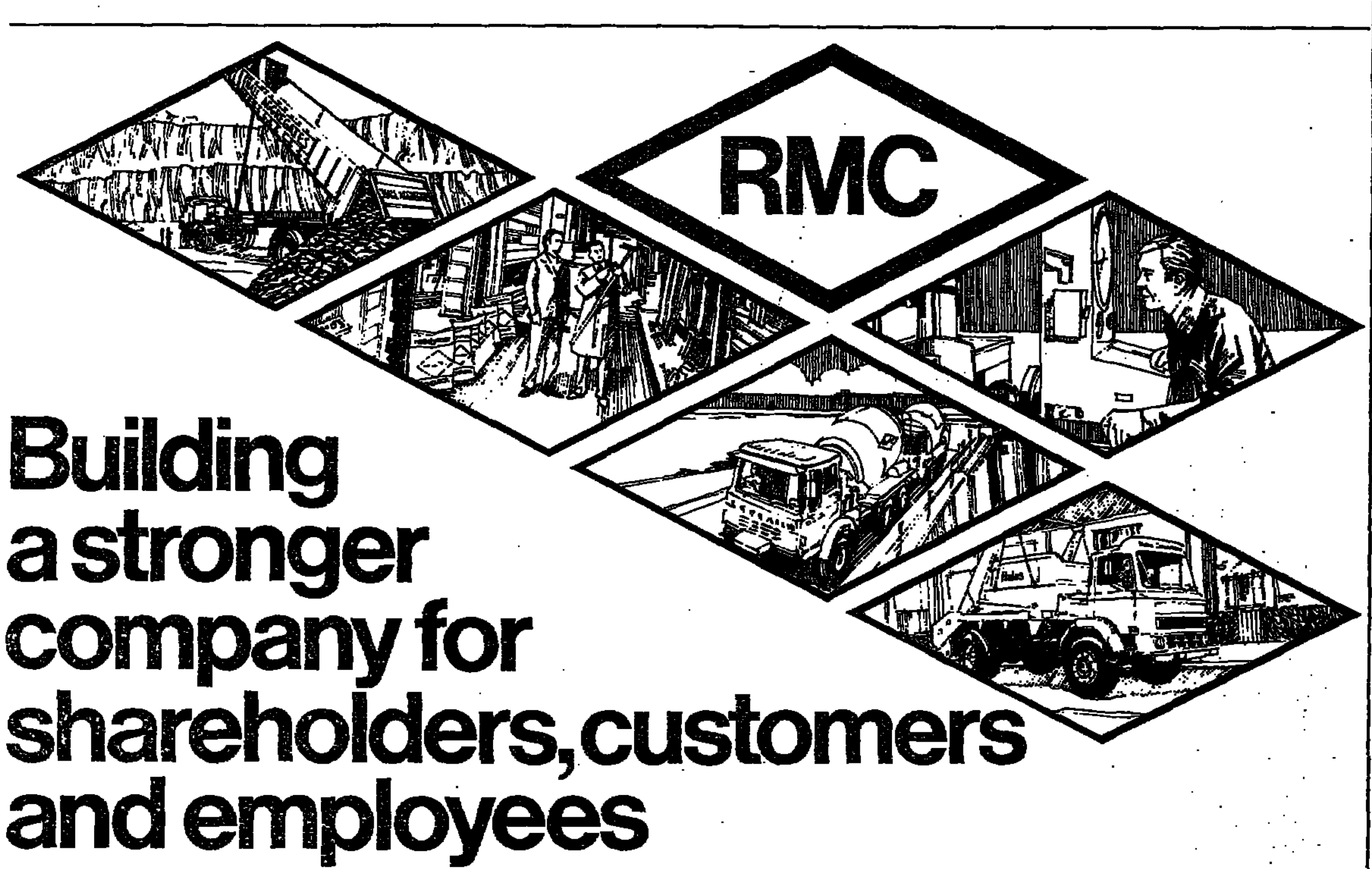
Yorkshire General Life Assurance, a member of the General Accident Group, has declared higher rates of interim bonus on its with-profit business as from May 1. On ordinary life policies, the rate for contracts taken out since November 9, 1970 and for certain policies effected before that date, the rate is lifted to £5.40 per cent. per annum of the sum assured from £5.20 per cent.

On all personal pension contracts and single premium deferred annuities (except money purchase plan) the bonus rate is £6.40 per cent. per annum of the basic benefit and attaching bonuses compared with £6 previously. On annual premium deferred annuities the new rate is lifted to £5.30 per cent. compound from £5 per cent.

Terminal bonus rates for ordinary life policies remain unchanged. But the company is introducing a terminal bonus on pension contracts, to be added when the contract vests and the pension becomes payable. The rate is to be 10 per cent. of all attaching bonuses, including interim bonuses. The intention is that the rate will vary from time to time to reflect financial conditions.

The company has also made some upward adjustments to premium rates for with profit endowments for terms under years and to its whole life rates at the higher ages.

The New Zealand Insurance Company (U.K.) has declared an unchanged reversionary bonus rate for 1977 of £2.73 per cent. of the basic benefit plus attaching bonuses on its with profit contracts. The interim rate for is at the same level.



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هكذامت الأجل

Eagle Star warns on U.K. fire profits

ARNING that profitability .K. fire insurance would iorate is given by Sir Denis tain, chairman of Eagle Star ance Company, in his annual nent.

points out that although fire ss was again profitable in despite the firemen's strike, ompetition in the U.K. for ss, from both U.K. and n insurers had been intenespecially as there was new business available se of the low level of eco- growth. Companies subng to the Fire Offices' Comtariffs had again reduced um rates for many classes k and reduced profitability d likely to follow.

all-in account in the U.K. ues to give cause for constates Sir Denis, although ss last year at £4.5m. had reduced from that of 1976 it amounted to £5.8m. The ry storms would cost the £1m. which had been profor in the 1977 accounts, ordance with normal prac- Apart from storm damage, through subsidence, van- and burglary continued at her rate than previously enced and he expected the to profitability to be slow. roup had introduced a new linked policy that should o solve the main problem der-insurance. But he warns existing rates charged for buildings and contents may to be increased.

expansion of the U.K. account was progressing as d *and there were plans for* r development in this *it year. But the number of* was higher than expected, sing by 18 per cent., resulta loss of £2.7m., compared 0.2m. in 1976. This higher r of claims reflected the eather and the higher levels otoring activity by the l public.

Denis reports a substantial vement in underwriting overseas, with profits recorded in many territories. In Belgium, claim ratios had been brought more under control and attention was being given to expense levels. But this was likely to be a long job. Business in Australia was developing steadily, but this market was beset by fierce and unrealistic competition.

On long-term business, premium income rose by 57 per cent. to £167m. and investment income by 21 per cent. to £82m. Claims and expenses were £6m. higher and the funds increased by £136m. during the year to £932m. Sales of single premiums were particularly buoyant in 1977, with the two series of Income and Growth Bonds being extremely successful. But new annual premium business only rose by 2 per cent. following the record growth of 1976.

There was a further large increase last year in the cash flow of funds, particularly the *life* fund. Greater emphasis was placed on gilt *investment* and there was selective additions made to the *equity portfolio.* But no significant additions were *made to the commercial property* portfolio following the activity in 1976.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims—J. A. Devenish.

Finals—British Investment Trust, Continental Union, Feb International, Grovebell, Haden Carrier, *Laporte Industries*, Marks and Spencer, Marshall's Universal, Nurdin and Peacock, Peninsular and Oriental Steam Navigation, Photax (London), J. Sainsbury.

FUTURE DATES

Interims—	
Alroyd and Smithers	May 10
Fundinvest	May 4
G. R. (Holdings)	May 5
Hall Bros. Steamship	May 9
Investors Capital Trust	May 9
M and G Group (Holdings)	May 31
Osborn (S.)	May 4
Pearce (C. H.)	May 8
Richards	May 9
Whitehouse (George)	May 10
Wolverhptn. and Dudley Breweries	June 1
Finals—	
Aberdeen Construction	May 4
Ayrshire Metal Products	May 25
Bowbread Robey	May 15
Costain (Richard)	May 9
Heath (C. E.)	May 16
Highcroft Investment Trust	May 11
Lesney Products	May 9
Moss Pros.	May 3
Queens Moat Houses	May 10
Sabah Timber	May 8
Scott's Restaurant	May 4
Seccombe Marshall and Campion	May 16
Sunlight Service	May 11
Usher-Walker	May 8
Warrington (Thomas)	May 3
Wire and Plastic Products	May 9

First Castle climbs to peak £138,000

Continued progress was achieved by First Castle Securities, a subsidiary of Connor Finance Corporation, in the year to January 31, 1978, with taxable earnings expanding from £71,924 to a record £138,705.

Turnover by the group, which has interests in the renovation and *resale of pianos and the retail* music trade, jumped from £170,954 to £630,393.

Half-time profit was better at £48,156 (£29,679) *and the company* returned to the dividend list with an interim payment of 0.4949p per 10p share. Together with the final of 1.4851p now proposed, this takes the total for the year to 1.98p (nil).

After tax of £56,511 (£24,961) earnings per share for 1977-78 emerged at 3.5p (2p).

The directors say that they continue to seek suitable opportunities for further expansion and *the company's resources are suit*ably structured to take full advantage *of any such opportunity* which may arise.

This time a surplus arising on the sale of shares in Leisure and General Holdings was included as an extraordinary credit

Low & Bonar flax cutback

LOW AND BONAR is sharply cutting back its flax activities and closing down the operations of two of its engineering subsidiaries.

In their divisional reports, *directors say that the traditional* textile operations of bagmaking *and flax weaving have been* declining over many years, and *in the November 30, 1977 year,* fell to uneconomic levels.

Bagmaking was *closed down in* November and flax weaving will cease operations this month. *Flax* spinning will continue on a *reduced scale to supply Craiks* and Wemyss Textiles—two companies *acquired during 1977—as* well as external customers. Substantial *closure costs are* expected on the flax operations.

Logan Engineering and Dudhope Engineering both made *substantial losses in 1977 despite* efforts by all employees to *improve matters.*

The losses have continued into 1978 and with no prospect of any improvement in the future it has been decided to close down the operations. This should be completed by the end of this month.

Directors say that in the packaging division it is doubtful there will be any improvement on *the conditions of fierce competi*tion and surplus capacity in *Canada. The Canadian companies* have initiated cost cutting *measures,* the *major* one being the closure of the Vancouver manufacturing plant and the transfer of production to Calgary.

On the outlook for 1978, Mr. Alan J. M. Miller, the chairman, says he is optimistic about the group's prospects. "We have entered 1978 with order books and sales at a reasonably high level, although margins continue under pressure."

With the U.K. packaging companies, *action is being taken to* make the paper bag operation profitable, but *the full effect* will not be felt until 1979. Overheads and manning levels are being reduced where necessary throughout the division, and some £2m. is being spent on capital goods.

In engineering, the appreciation of sterling is expected to make overseas markets more competitive and put presure on margins. The achievement of budgeted profits will depend on *the ability to recruit sufficient* skilled technical staff and operatives.

The outlook for textiles is uncertain with *no sign of a significant* upturn in consumer demand *in the U.K. Re-equipment pro*grammes will continue but the *benefits will not be fully realised* until 1979. Prospects in Africa *are mixed.*

In the Flotex division, new pro*ducts have been developed and* these are expected to be *marketed late in 1978.*

During the year total net assets *increased from £40.85 to £48.83m.,* and there was a £4.19m. (£1.65m.) *decrease in net* liquid funds in the period.

£2.2m. revenue for Scottish Northern

Pre-tax revenue of Scottish Northern Investment Trust for the period from February 3, *1977 to* March 31, 1978, came to £2,170,177, compared with £1,718,761 *for the* previous 12 months.

After tax of £774,312 (£630,683) stated earnings for the period were 3.86p (2.98p) per 25p share. The dividend total is raised to 3.66p (2.8p) net, with a final of 2.46p, which comprises 2.16p for *the year to February 5, 1978* and 0.3p for the period from February *6 to March 31, 1978,* the latter being a full distribution of net revenue after tax received in that period.

Workload at Newarthill still below optimum

IN HIS first annual statement as chairman of Newarthill, Mr. T. R. Grieve reports that construction turnover and profit continue at the expected moderate level reflecting the general condition of the industry, while workload is still at a lower level than the directors would wish.

The property and investment sector is being further expanded as opportunities present themselves both at home and in North America, where the group has embarked upon *residential* developments in conjunction with local partners.

A 22 per cent. stake in County and District Properties has been acquired: however the directors do not intend to increase the group's present shareholding, which was acquired in a single block.

The *group also purchased a 50* per cent. interest in Humberoak *Offshore, an offshore-engineering* company based in Aberdeen. The *group intends to participate in the* activities of this company, now *renamed* McAlpine Humberoak, which offers a full maintenance service for offshore oil and gas installations.

With the knowledge and experience gained from concrete oil and gas production platforms, the group is now *substantially* involved in the design of sub-sea *production systems which will* extend the present operational *limit into* much deeper waters, says Mr. Grieve.

The group has obtained with U.K. partners substantial EEC grants to further its design and research activities and having led the U.K. field in concrete gravity platforms, it intends to maintain its lead as techniques develop, he adds.

As reported on April 18, pretax profit *jumped from* £5,235,816 to £11,548,306 for the year to *October 31, 1977.*

The exceptional result arose *mainly in the McAlpine construc*tion sector, and was attributable to three factors, the chairman points out.

First, a final settlement in respect of the Brent C and Cormorant A North Sea *platforms* which recouped to some extent *the heavy losses suffered during* the period of these two contracts. Second, *the payment of substan*cial claims on certain other *completed contracts and finally,* satisfactory results from many *other contracts in progress during* the year.

However, the chairman is still unable to report any early prospect of further orders for oil platforms in concrete. Although the heavy programme of platform building which was envisaged five years ago and which encouraged the company to construct a large establishment at Ardyne on the west coast of Scotland has not at present given further construction opportunities, the facility is being maintained in a state of readiness and every effort is being made to secure orders for any floating concrete structure which might be required, he adds.

The completion of the three concrete platforms which collectively provided in monetary terms the largest volume of work, on a single site, in the company's history inevitably resulted in a reduction in turnover which has *continued in the current year.*

Mr. Grieve reports that in the property and *investment division* only slow progress is being made, *in a difficult market, with the let*ting of the office development in *Bristol, but further progress has* been made with the long-term *warehouse project in Hayes.*

Meeting, Imperial Hotel, W.C., May 25, 12.30 p.m.

Robts. Adlard falls £96,885

On turnover ahead from £7.94m. to £9.06m. pre-tax profits for 1977 of Roberts Adlard and Company, builders' merchants, fell from £648,982 to £552,097 *and after tax* of £290,051 against £340,267 net *profit emerged as £262,046 com*pared with £308,715.

Earnings per 25p share are shown as 11.62p (12.76p) and the dividend is increased to 4.3165p (3.90175p) with a final of 2.7285p net.

Scott and Robertson improves

WITH AN improvement in trading conditions in the second half, Scott and Robertson—which manufactures jute, textiles, etc.—finished the year to February 24, 1978 with pre-tax profits of £522,203 against £785,899 after a fall from £267,095 to £125,319 in the first six months.

There is no full year tax charge *compared with £371,073 and earn*ings are shown to be up from 8.3p *to 10.47p net.*

The dividend total is hoisted from 1.829p to 2.744p net per 25p share with a final of 1.83p. The *Treasury has agreed to the* increase in contest of the *rejection of the bid by Fairbairn* Lawson.

The directors have revised their accounting policy relating to deferred tax in accordance with ED19. They have taken the view that the amount set aside for deferred taxation up to February 25, 1977 is adequate to cover any reverse timing differences that are likely to arise in the foreseeable future and that no further transfer to deferred tax need presently be made.

Due to capital allowances and stock relief no liability to corporation tax arises in respect of 1977-78

IONEY MARKET

ncreased pressure on rates

k of England Minimum ding Rate 7½ per cent. (since April 11, 1978)

inued strong upward preson interest rates in the money market produced r problems for the authoriesterday. Any rise above el of 7½ per cent. in Bank gland Minimum Lending set at the time of the t, is obviously unwanted the official point of view. arket sentiment appeared nt towards a rise to at least cent. in MLR in the liate future.

ount houses buying rates ree-month Treasury bills ed firmly above the trigger point for a rise in MLR, at around *7½-7¾ per cent., but other interest* rates were considerably higher, *leaving a very large differential* between Treasury bill rates and buying *rates for three-month* eligible bank bills at 8⅟₁₆-8¼ per *cent. The yield on three-month* sterling certificates of deposit rose *to 8¾-8½ per cent. from 8¼-8⅛ per* cent.

Under these circumstances, discount houses showed little willing*ness to bid for early funds* yesterday, and indicated by their *general demeanour a wish to sell as many bills as possible to the* authorities in the afternoon.

In an attempt to calm the market, the authorities bought an exceptionally large amount of Treasury bills from the houses and a *small number of local* authority bills, probably *over*doing *the amount of assistance.*

Banks brought forward rundown balances from Friday, there was a substantial net take-up of Treasury bills to finance, and the market was also faced with a sizeable rise in the note circulation. On the other hand Government disbursements slightly exceeded revenue payments to the Exchequer.

Discount houses picked up late balances at 4-5½ per cent., and money was available at 4-5 per cent. in the interbank market at the close, having commanded 7½-7¾ per cent. at lunch-time.

	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
[illegible]	—	4-7¾		—	—	7⅛	4-6⅛	—	—	—
[illegible]	—	-	7⅜-7⅛	—	—	—		—	—	—
	—			—	—	—		—	—	—
[illegible]	—	7⅜-7¾	7½-7¾	—	7⅝-8	7⅝	5¾-6½		—	—
[illegible]	7[illegible]-7⅝	7¾-8⅛	7⅝-7⅞	8½-8⅛	8-⅝	7⅞	6¾-6⅞	6[illegible]-6[illegible]	7⅛-7[illegible]	8½
[illegible]	8[illegible]-8[illegible]	8-⅛		8⅝-8⅛	8¼-⅞		⅛	7-[illegible]	8[illegible]-8⅛	8¾
[illegible]	8¾-8½	8⅝-9	8½-8¾	8⅞-8⅝	¾-9¼	9⅛-9¼	7¼-7½	7⅛-7¼	8[illegible]-8½	8[illegible]-9
[illegible]	9[illegible]	8⅞-9⅜	8¾-9⅜	9⅛-8⅝	9¼-⅝		—	—	8⅞-9	9¾
[illegible]	9¼-9	9⅛-½		9¼-¾	⅝	—	—	—	—	—
[illegible]	9[illegible]-9[illegible]	9¼-9⅝	9¼-½	9⅜-9¾	9⅞	—	—	—	—	—
[illegible]			10¼			—	—	—		

l authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rate y three years 11-11¼ per cent.; four years 11¼-11½ per cent.; five years 11½-12 per cent. ♦Bank bill rates in table ing rates for prime paper. Buying rates for four-month bank bills 8¼-8⅜ per cent.; four-month trade bills 9¼ per

oximate selling rates for one-month Treasury bills 6¹³⁄₁₆-6¹⁵⁄₁₆ per cent.; two-month 6¹⁵⁄₁₆ per cent.; and three-month ent. Approximate selling rate for one-month bank bills 7¼ per cent.; two-month 7¹⁵⁄₁₆ per cent.; and three-month r cent. One-month trade bills 8¼ per cent.; two-month 8½ per cent.; and also three-month 8¾-9½ per cent. nce House Base Rates (published by the Finance Houses Association) 7½ per *cent. from May 1, 1978. Clearing Bank* Rates (for small sums at seven days' notice) 4 per cent. Clearing Bank Base Rate for lending 7½ per cent. Treasury *erage tender rates of discount 6.9858 per cent.*

RMC poised for further growth

AFTER A four year depression with greatly reduced demand; there are indications that the worst is now past and Ready Mixed Concrete may again move forward, says Mr. J. Camden, the chairman in his annual statement.

The group is constantly seeking out further opportunities in its traditional lines and new products both at home and overseas, members are told. Much strategic planning has been undertaken to enable RMC to meet future fluctuations and uncertainties as business trends become more complex.

In the U.K. and Europe severe weather conditions have occurred during the early part of this year and have inevitably adversely affected trading.

Since the start of the year there has been a welcome increase in the private housing starts, but recent pressure on building societies to limit mortgage advances may again retard the situation.

In Europe much depends on the economic policies adopted. In some countries the rate of output will slow down: in others RMC will go forward. In Germany the picture is brighter and there are positive indications that demand for products will increase throughout the remainder of this year.

As reported on April 14, pre-tax profits advanced from £22.94m. to £28.32m. in 1977, on turnover of £547m. (£515m.). The dividend total is 5.77p (5.17p) net.

Inflation adjusted accounts show pre-tax profits of £19.8m. after adjustment for depreciation—£11.31m., cost of sales—£1.79m., and gearing—£4.38m.

At the year end there was a decrease in net short-term borrowing of £8.48m. (£0.44m. increase).

Meeting, the Dorchester, W., on May 26, at 11.30 a.m.

London Utd. to continue expansion

IN HIS annual statement, Sir George Bolton, the chairman of London United Investments, says he believes that the company will continue to achieve further expansion in 1978, and he looks forward to dividend restraint being lifted.

As reported on April 18 taxable earnings for 1977 doubled from £1.74m. to £3.48m. and the dividend is increased to the maximum permitted 4.20596p (3.76568p). And, with a proposed three-for-one scrip issue together with a consolidation of the new and existing 5p shares into 20p each, the company will acquire trustee status.

Sir George adds that the company's activities continue to be soundly based and have proved to be increasingly profitable in real terms. It is intended to continue to direct new investment to the areas of the operations which have proved most profitable.

Following the exceptional growth of the company during the last two years, the chairman reports that the group is in a stronger financial position than ever before. The reputation of insurance subsidiaries, H. S. Weavers (Underwriting) Agencies and Walbrook Insurance Company, in the international market, has grown in stature over the last three years and Weavers now takes its place as the largest underwriting agency of its kind.

Currently Weaver is writing business on the London Market at the rate of over $U.S.100m. of premiums per annum. The directors also intend to continue to increase the issued share capital as may be necessary to enable Walbrook to take full advantage of continuing profitable underwriting opportunities as they present themselves.

Meeting, Connaught Rooms, W.C., on May 24 at noon.

W. Williams increase

Turnover of W. Williams and Sons (Holdings) increased from £6.94m. to £8.51m. for 53 weeks to end 1977 and pre-tax profits rose from £182,895 to £216,126.

After tax of £89,650 (£58,917) earnings are shown to be ahead from 5.1p to 5.2p per 25p share and the dividend is lifted from 1p to 1.125p net with a final of 0.625p.

Progress foreseen by Ofrex

DIRECTORS AT Ofrex Group a confident that progress w continue and they are planni for a year of record sales a profits in 1978, Mr. Geor Drexler, the chairman, says his annual statement.

Although sales and profits the first quarter have been ahe of last year, political, econom and financial uncertainties ma definite forecasting difficult, says.

While its order book is sat factory and price increases w be held to a minimum the wor trade recession has alrea affected export trading.

The group's U.S. operatio continue to make losses but Drexler believes that the los will prove to be a reasonable pr to pay for a worthwhile mar share. In Canada, the gro hopes to upgrade the size a scope of activities by broaden its product and distribution ba

A one-for-five scrip issue proposed following the £1.6 surplus which arose on revaluation of its major U properties.

Its pre-tax profit for 1977 £3.94m. is shown cut to £3.08 by current cost adjustments depreciation of £195,000 and c of sales of £0.96m., offset by £0.3m. gearing adjustment.

Meeting, Stephen Street, W., May 23 at 11 a.m.

COMPANY NEWS IN BRIEF

A. A. JONES AND SHIPMAN (metal-working machine tools maker)—Results for 1977 already known. Group fixed assets £1.91m. (£1.69m.), net current assets £6.36m. (£5.49m.). Net liquid funds up £31,000 (£331,000). Future capital spending £1.50m. (£1m.). Chairman says company had encouraging first-quarter and should make headway. Meeting, Leicester, May 17, 2.15 p.m.

AFRICAN LAKES CORPORATION—Results for year to July 31, 1977, reported March 2 with comments on prospects. Group fixed assets £2.51m. (£2.26m. restated). Net current assets £0.75m. (£0.7m.). Increase in liquidity £146,917 (decrease £148,731). At March 31, 1978, Rhodesia Railways Contributory Pension Fund held 17.2 per cent. of the equity. Meeting, Edinburgh, on May 18, at 11.30 a.m.

APV HOLDINGS—Results for 1977 reported March 21. Fixed assets £28.75m. (£24.05m.) and net current assets £56.71m. (£52.31m.). Short-term deposits £4.36m. (£2.7m.), bank balances and cash £5.2m. (£5.65m.). Bank loans and overdrafts £3.57m. (£3.47m.). Net liquid funds increased by £5.57m. (£3.4m.). St. Regis International holds 23.3 per cent. of equity. Meeting, New Zealand House, SW, May 18, 11.45 a.m.

ASSOCIATED BISCUIT MANUFACTURERS—Results for 1977 reported on April 11 with chairman's remarks on prospects. Group fixed assets £43.17m. (£43.58m.). Net current assets £28.97m. (£25.31m.)—short-term deposits £4.18m. (£8.16m.); cash and other balances £2.32m. (£1.49m.); and bank loans and overdrafts £530,000 (£525,000). Current cost profit before tax shown at £6.23m. (£5.19m.) after extra cost of sales £2.38m (£2.63m.); additional depreciation £3.11m. (£2.91m.); and gearing adjustment £1.12m (£1.26m.). Meeting, Great Western Royal Hotel, W., May 16 at 12.30 p.m.

BIFURCATED ENGINEERING—Results for 1977 reported April 7. Fixed assets £2.71m. (£2.69m.), net current assets £3.25m. (£2.5m.). Bank overdrafts decreased by £401,615 (£92,137 increase). Meeting, Aylesbury, Bucks, May 15, noon.

BRENT CHEMICALS INTERNATIONAL—Results for 1977, reported March 29, with rights issue, acquisition, and comments on prospects. Group fixed assets £2.4m. (£1.78m.). Net current assets £1.48m. (£1.23m.). Increase in liquidity £0.3m. (£0.8m.). Current cost statement shows historical operating profit £2.34m., less depreciation adjustments £163,000, cost of sales £202,000, interest payable £101,000, and gearing adjustment £42,000, leaving current cost pre-tax profit £1.91m. Meeting, Skyline Hotel, Hayes, on August 17 at noon.

BRIDON (wire, wire ropes, fibre and plastic products)—Results for 1977 reported March 31 with comments on prospects. Group fixed assets £30.75m. (£32.5m.). Net current assets £34.71m. (£46.51m.). Net increase in short term borrowings £10.65m. (£1.8m.), decrease in long and medium loans £128,000 (£2.81m.). CCA profit £6.2m. (£11.61m. historical). Meeting, Chartered Accountants' Hall, E.C., on May 23 at noon.

CROSSLEY BUILDING PRODUCTS—Results for 1977 reported April 11 with comments on prospects. Group fixed assets £6.36m. (£6.84m.). Net current assets £0.7m. (£0.96m.). Decrease in working capital £0.2m. (£0.13m. increase). Meeting, Stockton-on-Tees, May 19, at noon.

CSC INVESTMENT TRUST—Results previously reported: Investments quoted U.K. £1.57m. (£1.54m.), overseas £27,735 (same), unquoted £151,105 (£129,356), current assets £36,639 (£18,289), current liabilities £0.31m. (£0.31m.). Meeting, 44, Bloomsbury Square, W.C., May 15, at 2.30 p.m.

ERITH AND CO. (builders' merchants)—Results for 1977 reported March 21. Group fixed assets £1.74m. (£1.69m.). Net current assets £1.34m. (£1.17m.). Increase in liquidity £521,894 (£267,881 decrease). Group well placed for any upturn in business and able to increase market share at reasonable margins even in static environment. Meeting, 330 High Road, Leytonstone, E11, on May 18, at noon.

GASKELL AND CO. (BACUP) (carpets underlay, floorcovering)—Results for the year 1977 reported April 1. Group fixed assets £995,342 (£824,751). Net current assets £1.99m. (£1.52m.). Turnover in the first quarter of 1978 is slightly up on the same period of 1977 current cost profit, before tax, £200,000. Meeting, Blackburn (Lancs.).

HARRISON AND SONS (printing)—Results for 1977 reported April 5. Group fixed assets £5.16m. (£5.21m.), net current liabilities £63,400 (£39,100 assets). Bank overdrafts decreased by £502,900 (£611,700 increase). At year end, London and Associated Investment Trust held 47.8 per cent. of equity. Meeting, Stationers' Hall, E.C., May 24, noon.

HOME COUNTIES NEWSPAPERS—Results for 1977 reported March 30. Group fixed assets £327,358 (£365,122), net current assets £961,592 (£504,317). Cash balances increased by £410,938 (£19,412). Chairman says first three months have shown maintenance of improvement of advertisement revenue, although nationally-agreed and locally-negotiated wage increases have made inroads into group's performance. At March 23, County Newspapers held 38.28 per cent. and County Bank held 25.13 per cent. of equity. Meeting, Luton, May 15, noon.

McCLEERY L'AMIE GROUP (carpets, textiles, rope and twine, engineering)—Results for 1977 reported March 11 with comments on prospects. Group fixed assets £4.22m. (£4.38m.). Net current assets £2.55m. (£2.33m.). Increase in liquid funds £1.24m. (£2.01m decrease). Ex-gratia payments to past directors £24,500 (£15,000). Meeting, Holywood, Co. Down, on May 19 at noon.

PERCY LANE (window manufacturer)—Results reported March 30. Fixed assets £1.59m. (£1.29m.), net current assets £1.39m. (£1.5m.). Meeting, Birmingham, May 26, at noon.

RICHARDS AND WALLINGTON INDUSTRIES (selling and hiring construction and industrial plant)—Results for 1977 reported April 14, with prospects. Group fixed assets £22.43m (£20.93m), net current assets £4.55m. (same). Net liquid funds up £0.64m (down £0.54m). British Electric Traction Company holds 20.51 per cent. interest. Meeting, Birmingham May 31 noon.

SHARNA WARE (manufacturer of plastic ware, etc.)—Results for already reported. Group fixed as £1.25m. (£0.93m.). Net current a £0.76m. (£0.6m.). Chairman antici another record year for 1978. Mee Manchester, on May 17, at 12.30 p.m.

SPIRAX-SARCO ENGINEERIN Results for 1977 reported April 4. Gr fixed assets £9.12m. (£6.87m.). Net cur assets £10.45m. (£7.71m.). Mee Cheltenham, on May 18 at 12.45 p.m.

STAR (GREAT BRITAIN) HOLDI (wholly owned subsidiaries of Eng Property Corporation)—For year October 31, 1977, net property investm income £589,118 (£559,171) and d income £840,399 (£837,135) Inte £176,687 (£149,700). Tax nil (£nil). Ex ordinary debits £742,946 (£7,336) cove by transfer from capital reserve. Attri able to holding company £1.17 (£975,824). Dividend absorbs £1.10 (£915,000).

TI RALEIGH INDUSTRIES (c maker—wholly-owned subsidiary of T Investments)—Results for 1977, alre known. Group fixed assets £12 (£12.9m.), current assets £63 (£46.17m.), current liabilities £3 (£22.62m.). Net liquid funds down £4 (up £3.85m.). Directors say adverse eff of industrial dispute will continue thro early part of 1978 but confident of covery. Meeting, Nottingham, May noon.

WATTS, BLAKE, BEARNE AND (extraction, processing and marketing ball and china clays)—Results for reported April 3. Group fixed as £12.46m. (£11.63m.), net current as £3.12m. (£3.21m.). Historical pre-tax p £2.67m. and £2.07m on CCA basis. Li funds increased by £4.95m. (£5.34 Meeting, Moretonhampstead, De May 19, at noon.

WOLF ELECTRIC TOOLS (HOLDIN —Results for 1977 already reported. Ch man says company off to a reason start, with first-quarter sales ahead 1977. Aiming to increase volume value and to earn an acceptable pr margin. Group net current assets December 31, 1977 £6.29m. (£5.5m.), fi assets £2.43m. (£2.73m.). Meeting, Ham Lane, W., May 18, at noon.

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Bestobell set for continuing growth

EN reasonable trading condi- is overall, Bestobell should w increasing profitability not in the current year but in years ahead, Sir Humphrey wne, the chairman, says in his ual statement.

he company is now in a secure tion to develop opportunities. he past few years its organisa- has been improved, staffing forced and objectives and s more clearly defined and er systems of control are be- established.

erseas, subsidiaries are gen- y in good order and a perma- settlement in Rhodesia ld have a major beneficial t on operations there, and Australian company is well ed to gain from an improve- t in trading conditions, the rman states.

les for 1977 were ahead to 2m. (£77.59m.) and taxable t advanced to £5.49m. 1m.)—as reported on April The net dividend is stepped o 9.4353p (8.52788p) per 25p e.

t liquid funds at year end down £1.04m. (£1.14m.) with trafts and acceptance credits t £4.45m. (£2.79m.) and bank ices better at £2.09m. 6m.).

ring the year the company the balance of £1.5m. of the ear £3m. loan raised in the part of 1976.

th some exceptions, notably en, the group's Continental anies' performance was un- actory in 1977, being affected ncreased price competition ving the rise in sterling.

ere are also difficulties iated with the present small of these companies and, strengthened management, itive approach is being made aise sales, Sir Humphrey ients.

Elsewhere overseas, despite an adverse exchange rate, profit showed an overall 17 per cent. increase. The main component of this was a recovery in South Africa from loss to surplus.

In the U.K. a flow measurement equipment manufacturing company was acquired and now trades as Bestobell Meterflow. Its product range promises an important extension of the group's capability in the field of industrial control equipment, the chairman says.

A new subsidiary to make steam line equipment, Bestobell Steam Products, has been formed and production is expected to begin in the second half of 1978.

Meeting, Hayes, Middlesex, on May 26 at 11 a.m.

Hawtin turns in £0.73m.

PRE-TAX profits of Hawtin, for the year to January 31, 1978, rose from £594,000 to £733,000 on turnover ahead to £7.32m. against £4.71m. Figures include results of E. D. Hollingsworth and its subsidiaries and Safety Specialists (Biggleswade) for 10 months only.

Again there is no dividend on Ordinary 5p shares. Stated earnings are down from 1.52p to 1.18p. Pre-tax profit, which was struck after interest of £86,000 (£3,000), is subject to tax of £305,000 (£58,000) and an extraordinary debit of £52,000 (£21,000).

The group is involved in the manufacture of industrial gloves and the distribution of gloves and other protective clothing and safety equipment.

yle Shipping forecasts etback for trading fleet

ING results for the bulk ing division of Lyle Shipping any in the first half of 1978 e worse than those for the period of last year. However rectors hope that the results company's insurance brok- and engineering interests rovide an effective counter e, Mr. Herbert Walkinshaw, airman, tells members.

outlook for shipping for the nder of the current year is ng but encouraging. Three company's fleet are on long- charters at rates now well present market levels and st of the fleet, which oper- under a pooling agreement H. Hogarth and Sons, are exposed to the present poor t conditions, he says.

directors are continuing to the impact of exchange ations. Since the end of 1977 of the groups loans with nt banks have been refin- to match their currency closely with the group's ngs, which are mainly in U.S. s, and to spread loan repay- over more years.

the end of last year long loans amounted to £7.34m. 3m.) of which £5.79m. n.) were repayable in ex- f five years. Bank borrow- ere up at £7.3m. (£3.78m.). eported on April 1, for the turnover was £13.46m. m.) and taxable profit, was at £867,000 (£1.57m.). The vidend was lifted to 4.9p p).

king capital at year end a decrease of £3.87m.), and there was an ex payment to a former direc- £5,000.

xpected the annual valua- the fleet indicated a sharp eliminating the surplus ook value, Cape Race and tway were not included in uation but their values are nsiderably higher than the vel.

ng accounting changes in- d for the year leased ships en included in the balance under fixed assets and ed to £9.37m. (£9.67m.) ed with an owned fleet f £19.14m. (£19.51m.).

ompany's shipping opera- nproved despite lost earn- d repair costs, which mat- affected the second half, the Cape Horn was ed.

POSAL BY IED INV.

RST move has taken place lanned sell-off of the U.K. medical and food interests d Investments—the medi- ices group being bought for £8m. by a company controlled by the State-owned National Enterprises Board.

Skrek, a manufacturer of meats, soups and sausages which was taken over by Allied last year, has been purchased by Mr. Sydney Waissel, who has hitherto been joint chairman of Allied's food division, Allied International Food Services (Holdings). At the same time, Mr. Waissel and his wife have sold back to Allied Investments the 20 per cent. stake they had retained in Allied International Food Services.

Mr. Waissel, who joined Allied when he sold his company to it four years ago, has resigned as joint chairman of the food side. There is also agreement that he can now trade on his own account under the name of Waissel's; in addition, he has acquired the trademark of the name Goormeta.

With Allied International Food Services fully owned by Allied Investments, the way is now clear for it to be sold off, as foreshadowed in the document conveying the bid for the whole group from the NEB-controlled United Medical Enterprises.

A spokesman for Orion Bank, which is acting for UME over the sales, said last night that the sale of Allied International Food Services was under discussion and negotiation. He added that the same was true of the planned disposal of Allied Investments' U.K. private medical interests, including the Champneys health farm.

Boosey hit by hesitant demand

The hesitant demand being suffered worldwide in the home entertainment and music industries is in the case of Boosey and Hawkes, the music publishing and instrument making concern, particularly noticeable in the fields of state aided performance and education, says Mr. H. P. Barker, the chairman.

Both are primary outlets for the group and both reflect the stringencies now afflicting most governments, particularly in English speaking countries, members are told in his annual statement.

As reported on April 6, pre-tax profit fell from £2.13m. to £1.96m. for 1977, on turnover of £17.9m. (£17m.).

Mr. Barker states he does not expect anything better than a moderate year in 1978.

"1977 was a more difficult year; nevertheless, the Society consolidated its position at the new high level."

The One Hundred and Fifty-Fourth Annual General Meeting of the Clerical, Medical and General Life Assurance Society will be held on 10th May 1978 at the principal office of the Society, 15 St. James's Square, London, SW1. Sir Robert Black, GCMG, OBE, the Chairman, will make the following Statement in moving the adoption of the Report and Accounts.

Directors

Dr. Kenneth Black, who had served as one of the Society's Medical Directors since 1964, retired from the Board at the end of July. For 13½ years the Board and our underwriters have had the benefit of his professional skill, experience and wisdom. We thank him for his valuable service and wish him well in his retirement.

Life Assurance Business

In 1975, and again in 1976, the Society achieved notable increases in new business. 1977 was a more difficult year; nevertheless, the Society consolidated its position at the new high level.

Total new annual premiums, including those received on pensions business, increased marginally to £9.6 million from £9.5 million, while single premiums received amounted to £7.0 million (£6.6 million).

The number of new ordinary life policies written was less than the figure for 1976, but there was an increase in the average annual premium per £100 of sum assured. Total new sums assured, including group life business, were £272 million.

While the market's attention has been on shorter term endowments, I should like to recommend once more the Society's whole life assurance to all our brokers, agents and policyholders. This policy is extremely flexible and can be adapted, often on guaranteed terms and normally without medical evidence, to meet any changes in the life assurance needs of the policyholder. I regard it as an ideal savings policy for young people entering on their careers giving, as it does, a high level of permanent life assurance cover at moderate cost. And, to those who have capital transfer tax problems, the whole life policy may be particularly appropriate.

Certain provisions of the Insurance Brokers' (Registration) Act, 1977 came into force on 1st December. This Act, and the growing influence of the British Insurance Brokers' Association, are welcomed by the Society, because they require, amongst other things, explicit and high standards of conduct and business practice from those seeking registration. At the same time, we trust that they will not make it difficult for other financial and legal advisers to help their clients in insurance matters, where their knowledge of insurance can be added with effect to their knowledge of the clients' affairs.

Group Pensions Business

This has been an important year for those of our staff who administer our pension schemes. Their first major task was to advise our customers on the complex matter of whether or not to contract out of the new State Scheme; thereafter they had to obtain and put into effect decisions by the critical date in December set under the Act. By that date, decisions had been received from over 99% of our customers and are now being acted upon. This success reflects the greatest credit on all members of our staff who were, and still are, involved in this work.

The manner in which the Society approached the task of communicating with its customers, including the high standard of co-operation with brokers and other intermediaries, has undoubtedly led to the placing with the Society, during the year, of new group pension schemes with a record level of premium income, and to an enlargement of the list of well known organisations throughout the country who are our pension fund customers.

I have referred in previous statements to the partnership which now exists between the State and occupational pension schemes to provide retirement benefits for the majority of the working population. Coupled with the flexibility inherent in non-State schemes, this should ensure a continuing growth in pension arrangements of this kind. There is an opportunity to expand further in the group pension field, and we are confident in the stability offered by insured schemes, and in our own merits as an office which gives a high level of service as well as attractive and competitive yields.

Bonus Declaration

The Society's last distribution of bonus took place in 1975, and a distribution is now being made in respect of the three-year period 1975-1977. The bonus reserve method has again been employed to value liabilities under existing policies, and the surplus available enables us to declare compound reversionary bonuses for the triennium 1975-1977 at the rate of £5.00 per cent per annum on the sum assured and attached bonuses of full-profit policies in the current series.

In the case of Old Series policies, which are largely those effected before 1946, the calculation of the new bonus is based on the amount of the premium and the class of policy, and these policies will receive an appropriately increased amount of bonus in the new declaration.

Certain policies issued in connection with superannuation arrangements participate in a fund which is not subject to tax. These gross fund policies will receive bonus at a rate of £6.50 per cent per annum on the sum assured and attached bonuses.

Personal Pension Contracts (self-employed deferred annuities) will be allotted bonus interest for the three years 1975-1977, at a monthly rate equivalent to £3.25 per cent per annum, in addition to the rate guaranteed in the contract.

The heart of this bonus declaration is the £5.00 per cent per annum compound rate for the last three years. It establishes a record level in a series of bonus declarations unbroken since 1832. It reflects our strength and success.

In my statement of 1976, I drew attention to the superior return then yielded at maturity by one of the Society's with-profit endowment assurances, effected in 1956, over investment either in certain stock exchange ordinary shares or, notionally, in the Retail Price Index. Despite the rises which have occurred during the past two years in both ordinary share prices and in the Retail Price Index, this situation remains unchanged today. A 20-year policy for a sum assured of £5,000 effected in 1958 by a man aged 30 for a gross annual premium of £259.37 would have produced for him, on his survival to the maturity date in 1978, the sum of £12,936, which includes bonuses of £7,936 added during the term of the policy. In addition, he would have been secure in the knowledge that, in the event of his death before that time, his dependants would have benefited by a sum, depending on the date of death, gradually increasing from the initial £5,000 to the final £12,936. By comparison, a regular investment of the amount of the premiums (net of tax relief) in the index of ordinary shares analysed by Messrs. de Zoete & Bevan, taking no expenses into account, and reinvesting dividend income net of the basic rate of tax, would have produced £11,479; these

proceeds, unlike those of the life assurance policy, would have been subject to an assessment for capital gains tax. A similar investment in the Retail Price Index would have produced £12,391.

Although we are declaring a bonus of £5.00 per cent per annum for the triennium 1975-1977, we are paying intermediate bonuses in respect of the period since 1st January 1978 on current series full-profit policies which become claims at £4.75 per cent per annum, and we are using this same lower rate when asked to illustrate possible future maturity values in quotations for new policies. No life office can ignore the fall which has occurred in interest rates, nor the constant battle which all are fighting against rising costs. Past success reflects the strength of past and present management. Future bonuses depend on future financial conditions, together with the strength of reserves and the quality of present and future management.

Terminal Bonus

Terminal bonus was first added in 1969 to participating policies then becoming claims, in order to allow policyholders to share as fully as possible in any undistributed capital appreciation. Since that date, the rate has fluctuated according to conditions in the investment markets.

For the present, terminal bonus remains at the increased level, set in August 1977, of £1.50 per cent of the sum assured for each year that the policy ranks for bonus, with a proportionate addition for ranking periods of less than one year.

For Personal Pension Contracts, the special retirement bonus interest, added at the time benefits commence and calculated on the total benefits at retirement, remains at ½ per cent for each full year that the contract has been in force, with a proportionate addition for shorter periods.

Pension Contract Interest

The rates of interest payable on the Pension Contract are reviewed annually and consist of Basic Yield, Equity Addition and High Interest Addition.

For 1978, the Society is revising the scale of Basic Yields so that, for a contract with normal annual contributions in excess of £½ million, the Basic Yield will be increased from 8.00 per cent per annum to 8.45 per cent per annum. The Basic Yields appropriate to smaller contracts with normal annual contribution above £12,500 are also being increased but to a lesser degree. There is no increase where the normal annual contribution is less than £12,500.

There will be no change in the basis of calculation of the Equity Addition or High Interest Addition.

Investments

This year the invested assets appear in the balance sheet for the first time at market value. For many years the full market values have been disclosed in the notes to the accounts, but the information has now been brought into the balance sheet so that the effects of changes in the investments and in market levels are fully reflected there. However, in order to allow for some fluctuation and to provide for the contingent liability for tax on capital gains that would have to be met if the assets were realised, it is prudent to set aside an investment reserve, and it will be seen that this year £69 million or 16% of the market value of the assets has been so allocated.

During 1977 some £51 million, including £7 million of the money that was on deposit at the beginning of the year, has been invested in long-term assets. In the earlier part of the year, the Society continued to concentrate money available for investment into the gilt-edged market in view of the high guaranteed yields available on long-dated stocks. As the year progressed, yields on gilt-edged declined and a proportion of money available was diverted into British equities. Near the end of the year, it was decided also to begin to direct some money into North American equities.

Investment in property, which helps to finance British industry, continued throughout the year and some first-class properties have been purchased. But, at the same time, opportunities occurred to sell one or two properties at prices which, in our view, exceeded their value to the Society, and overall the sector absorbed little of the available new money.

Life assurance is a long-term business and sudden changes of direction are inappropriate when considering both the assurances and the assets which back them. But that does not mean that inflexibility is built in to the portfolio, and it is instructive to remind ourselves from time to time how the assets have been changed over the years to attain, without undue risk, notably high returns for with-profit policyholders. The figures set out below give an indication of the magnitude of the changes in the composition of the portfolio.

As long ago as 1947 the Society was already moving into equities, and by 1957 a solid equity base had been laid down. The build-up of the equity portfolio, reflecting a belief in the long-term prosperity of British industry, continued by and large until 1967. The step back from equities, which has accelerated over the last decade, reflects the very high rates of interest available in the gilt-edged market and the damaged prospects for industry, both caused to a great extent by uncontrolled inflation.

However, we have, as a Society, considered it right to maintain a substantial stake in the best British companies and in property, and I hope that during 1978 the nation's leaders will pursue the objective of economic stability, even where this conflicts with short-term social or political goals. If this stability and an improvement in productivity are secured, the long-term attractions of investment of new money in British industry will revive, and a steady growth in the creation of real wealth, for the benefit of the whole community, will be resumed.

I am pleased to report the formation, in 1977, of Agricultural Land Improvement Holdings Limited, which has absorbed our own Lands Improvement Company and in which we are maintaining a substantial interest. The new company will be extending the range of financial services for farmers, and we are confident about its prospects.

Staff and Administration

1977 saw the move to Bristol of a further part of the staff formerly working in London. This has completed the decentralisation scheme and brings together in the new Bristol Head Office all the departments dealing directly with the servicing of the Society's policies and contracts. I am happy that the facilities of the new office, its accessibility and the pleasant surroundings of Bristol have been generally welcomed by the 300 members of the staff who have moved from London.

In considering the numbers of staff we require to run our business, we have to recognise that the extra work imposed on us by recent legislation largely offsets the effects of increased mechanisation and improved efficiency. In particular I would mention the Government's decision to transfer from the Inland Revenue to the Life Offices the administration of the tax reliefs granted to policyholders on their life assurance premiums. In setting up the appropriate systems to deal with relief by deduction from premiums, the Society is shouldering a heavy burden of extra cost.

I am now retiring from the Chairmanship of the Society's Board. The 14 years during which I have been associated with the Society have for me been happy and proud ones; and I am grateful both to my able and experienced colleagues on the Board, not least during my three years in the Chair, and to the loyal and expert staff, under two outstanding Chief Executives, in turn, James Pegler, and, now, Leonard Hall, who have maintained the traditionally high quality of service to our policyholders for which our Life Office has an established reputation. It is a record of achievement of which all may be proud; and it is a matter of particular pleasure to me that Douglas Morpeth has accepted our invitation to succeed me in the Chair. I know that the Society will be in excellent hands, and it has my very best wishes for the future.

31st Dec	1957	1967	1972	1977
Total market value (£ million)	36	134	256	441
Class of asset	%	%	%	%
a. Stocks and shares				
i Fixed interest investments	16	17	19	43
ii United Kingdom ordinary shares	25	36	39	26
iii Overseas ordinary shares	3	9	6	6
b. Properties	14	17	22	16
c. Mortgages, loans & miscellaneous	42	20	10	7
d. Deposits and short-term assets	–	1	4	2
	100	100	100	100

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BIDS AND DEALS

Sir Hugh to quit if Lonrho fails

BY ANDREW TAYLOR

SIR HUGH FRASER, deputy chairman of Scottish and Universal Investments said last night that he would resign from the Board of the company if Lonrho's contested bid for SUITS failed.

Lonrho's bid which values SUITS at around £39m. has split the independent Board members of the Scottish company (there are also three Lonrho representatives on the Board) into two camps—with Sir Hugh and Mr. James Gossman supporting the bid terms while the three other "independents" including chief executive Mr. Hugh Laughland have opposed the offer.

Sir Hugh said that he felt no ill-will towards his fellow directors but he felt that if the bid failed it would sour the previous "good relations" that had existed among the eight-man Board. "In such circumstance I do not feel I could remain a Board member," he said.

Lonrho expressed surprise last night about this development. A spokesman said that Sir Hugh: "must have been quoted out of context."

Sir Hugh said, however, that he would not resign as chairman of House of Fraser in which SUITS has a ten per cent. stake and in which the Fraser family trusts also have a small holding. He said that he would remain on the SUITS Board if Lonrho's bid succeeded.

In a letter from Sir Hugh and Mr. Gossman sent to SUITS shareholders yesterday Mr. Gossman says that he would "continue to work on the Board of SUITS irrespective of whether or not the Lonrho offer is accepted." The joint letter recommends SUITS shareholders to accept Lonrho's offer of 11 Lonrho shares for every six SUITS shares.

A defence document, prepared by the three independent directors opposing the bid, is expected to be sent to SUITS shareholders to-day, recommending rejection of the offer as too low and because it contains no cash element.

The joint letter from Sir Hugh and Mr. Gossman stresses the income and capital benefits to be gained from acceptance and repeats Lonrho's recent assurance that SUITS will not lose its Scottish identity by the merger.

The latter point is understood to be one of the more important aspects that is currently being considered by the Office of Fair Trading — before it sends its report to the Secretary of State for Prices and Consumer Protection.

It has been anticipated that a decision on whether the bid should be referred to the Monopolies Commission would be due this week but it now seems that a decision will not be known until the end of next week—at the earliest.

Meanwhile the joint shop stewards committee at Dunford Elliott has moved to the defence of Lonrho, its parent company, following the attack on Lonrho's by the shopworkers' union (USDAW) last week. The Dunford shop stewards denied that USDAW members "would be looking over their shoulders for their jobs" if Lonrho's bid for SUITS succeeded.

The Fraser family has retained close links with SUITS for many years. Sir Hugh was chairman of the company until March 1977 when he sold his personal stake in SUITS to Lonrho. Mr. Tiny Rowland, chief executive of Lonrho, was then appointed chairman of SUITS.

Brooke Bond in £3m. commodity expansion

Brooke Bond Liebig has acquired Wallace Brothers Commodities from Wallace Brothers (Holdings) a subsidiary of Standard Chartered Bank, for £3m. cash.

Brooke Bond Liebig wants to expand its worldwide commodity activities and start trading in new soft commodities. At present BBL deals mostly in tea and coffee.

Wallace Brothers Commodities, as a broker, deals in practically all soft commodities and some metals. It has seats on many of the principal terminal markets in London and New York, and will offer expertise and information to BBL.

Mr. Tony Vachel, group treasurer of BBL said yesterday that Wallace Brothers Commodities was "a doorway—we do not know what is on the other side."

Another advantage of the deal will be that BBL can channel its own business and that of its customers through Wallace, thus keeping the broker's commission in-house. And Wallace Brothers Commodities has "a nice positive cash flow" according to Mr. Vachel.

On the other side of the transaction, Standard Chartered Bank wanted to sell the commodity broking company as part of the reorganisation of Wallace Brothers (Holdings), which it took under its wing in 1976 with Bank of England approval. The commodity broking activity did not fit in with the other activities of Standard Chartered, said a spokesman yesterday.

Wallace Brothers Commodities made pre-tax profits of £722,000 in the year to July 1977.

SUN CHEMICAL HAS 43.9% OF AULT & WIBORG

Sun Chemical Corporation of the U.S. has once again increased its stake in printing ink manufacturer Ault and Wiborg to the limit of the rules of the Takeover Code. It has just bought a further 392,958 shares which lifts its holding by 2 per cent. to 43.9 per cent. Last year it also increased its stake by 2 per cent.

Yesterday a spokesman for Ault said that Sun had three directors on the Board. There was no sign of a full bid from Sun, however. The only other major shareholder is Britannic Assurance which has 5.08 per cent.

FURTHER SALES BY ROWNTREE TRUST

Since November trustees of the Joseph Rowntree Memorial Trust have sold 150,000 shares in Rowntree Mackintosh. The latest sale, of 25,000 shares at 400p disclosed yesterday, completes this tranche of the disposal programme. The trust now holds 3,850,000 shares.

A spokesman for the trustees said yesterday that the trust still intends to dispose of a further 500,000 shares in order to reduce its investment in the company to half its original stake—a policy approved some two years ago. The shares still to be sold would be disposed of gradually, over the next couple of years, the spokesman said.

MINING NEWS

CRA faces a fall in 1978 earnings

BY KENNETH MARSTON, MINING EDITOR

"SUBSTANTIALLY LOWER" earnings this year are faced by the Rio Tinto-Zinc's group's 72.6 per cent.-owned Conzinc Riotinto of Australia if the present depressed metal market conditions continue.

At yesterday's Melbourne meeting Mr. Rod Carneigie, the CRA chairman, pointed to the current combination of slow growth in demand, excess stocks, unrealistic metal prices and unfavourable exchange rates, notably the weakening of the U.S. dollar.

He said that the timing of an up-turn was uncertain and that investment expenditure in major world economies must rise if demand for metals was to increase. "Consequently, we must expect to operate in a difficult economic climate for some time to come."

Meanwhile, the CRA's wholly-owned AM&S subsidiary is expected to make a much reduced contribution to group earnings this year and its lead-zinc activities will incur if the current low zinc prices continue.

Lead demand is strong, but zinc operations are unprofitable for most producers and production at each of the group's three smelters—two in Australia and one in the U.K.—is to be cut to about 75 per cent. of capacity for the year.

Commenting on the high risk element in mining Mr. Carnegie said that $A4.8m. (£2.97m.) had been spent between 1972 and the end of last year on a diamond search in the remote Kimberley Ranges region of Western Australia by a consortium which is headed by CRA.

The consortium is to spend $4m. this year on a pilot treatment plant and a further on continued exploration. "Th more years could elapse wit joint venture expenditure of millions of dollars before it known whether diamonds exis commercial quantities." Carnegie added that: "We have a substantial success equally it may be that after or eight years of effort the c clusion will be that no commer deposit exists."

He was optimistic about overall prospects in the lon term. "The group is soun based to take advantage of up-turn in world economies. are proceeding with major inve ments which will have long te strategic importance and improve our ability to capital on the up-turn." CRA sha were 214p yesterday.

Transatlantic news round-up

FOLLOWING its recent warning of a difficult year ahead Canada's Noranda mining group reports a 20 per cent. fall in first quarter profits to C$14.7m. (£7.1m.), or 62 cents per share, from C$18.3m. in the first quarter of 1977.

Favourable factors have included a small improvement in copper prices; a better performance at the Gaspe copper mine and by the domestic manufacturing operations; while the forest products division has done notably well. Export earnings have been helped by the decline in the value of the Canadian dollar.

On the other hand, zinc prices have continued to weaken. The *major adverse factor*, however, has been the closure of the aluminium operation owing to a lack of electrical power during the last stages of the U.S. coal strike. This operation is expected to be restored to full production in June.

Although results for the rest of the year may be better, Noranda does not expect a return to really satisfactory earnings in view of the excess stocks being held of many commodities and the poor chances of any major recovery in metal prices.

In Toronto Mr. E. P. Gush, president of the Anglo Amrican Corporation group's Hudson Bay Mining and Smelting, remains optimistic despite the company's first quarter loss of $C1.64m., or a deficit of 16 cents per share, which compares with a loss of $C274,000 a year ago. During the latest period losses on base metals and fertilisers swamped profits on oil and gas and industrial products.

The Hudbay offer to purchase 50.01 per cent. of Tanatalum Mining has been accepted.

On a more cheerful note, the *gold-tungsten* Dome Mines group estimates first quarter consolidated net income at $C11.5m., or $C1.79 per share, against $C6.5m. in the same period of last year. For the first time Dome is including its equity in earnings of the 19 per cent.-owned Canada Tungsten Mining.

Dome also owns 57 per cent. of the gold-producing Campbell Red Lake Mines which estimates a first quarter profit of $C3.66m., or 46 cents per share, against $C2.56m. a year ago. The outlook for the Ontario gold mine is described as "very encouraging." Production is expected to be about the same as last year but co are likely to continue to rise.

An improved earnings outlo is also reported at the Maca gold mine in Ontario of Will Mines owing to the higher bull prices. Exploration and devel ment spending is estimated a record $C420,000 this year wh a further C$1.25m. has be budgeted for oil and gas explo tion in Canada and the U.S.

Sherritt Gordon Mines has d better than expected in the f quarter with earnings of $C2 or 20 cents per share, compa with $C2.7m. a year ago.

Of the news from Amer Freeport Minerals reports f quarter earnings of $7.4 (£4.6m.), equal to the earlier fo cast 48 cents per share, compa with $8.1m. in the first quar of last year. Mr. Paul Doug president of Freeport, said t Freeport Indonesia had made loss ($1.1m.) compared with profit ($2.1m.) a year ago.

Also reporting lower f quarter earnings, despite reduction in copper product costs is Phelps Dodge. Cons dated net income for the per has fallen to $5.6m. (£3.1m.), 20 cents per common share, fr a restated $9.3m. a year ago.

Scott & Robertson rejects Fairbairn

A bid approach from Fairbairn Lawson for textile group Scott and Robertson appears to have fallen at the first hurdle with the Scott directors announcing yesterday that they were opposed to an offer of 40p cash a share. The approach first made on February 24 this year was conditional upon the directors recommending acceptance.

Mr. Noel De Monte, managing directors of Fairbairn whose interests include engineering, office furniture and packaging products, said that he was "amazed" at the publication of the Scott directors' rejection of the bid approach—which values the company at around £2m.

He said that Fairbairn had not been involved in any direct negotiations with Scott but they had been earlier informed of the directors' opposition. He said he thought that the group would have seen the industrial logic behind the Fairbairn proposals.

Given Fairbairn's traditional reluctance to become involved in contested takeovers it seems unlikely that this approach will be pursued. Mr. De Monte said last night however that Fairbairn would be waiting to see the effects of this latest development on Scott's share price before making any decision.

Scott Robertson's shares last night stood at 41p up 4½p following the rejection statement and the group's annual results also published yesterday.

ELECTRONIC MACHINE

Electronic Machine, which lost £267,000 pre-tax in the last full year and a further £123,000 in the first half of the current year, has now arranged the sale of the second of its major lossmaking subsidiaries within a fortnight of closing down the other.

Yesterday it announced that Advance Industrial Developments, a private Bournemouth engineering group, has agreed to pay £123,000 in cash in tranches for Panax Equipment, an EMC subsidiary which makes radioactive instrumentation. The deal depends on Panax's stocks being valued at no less than £180,000.

In the 11 months to March 31, Panax lost £85,000 compared with £133,000 in the year to April 30, 1977.

The sale of Panax comes within a fortnight of an announcement that EMC had closed down Ellvin, its metal pressing subsidiary, because losses had been impossible to contain. A month previously the company also announced that it was selling the freehold of Ellvin's Mitcham site for £500,000 and would be leasing it back for £57,000 per annum. That lease will now be for sale.

Following these moves the company believes that it will now return to profitability and borrowings will be reduced by the proceeds of the Panax and land sales to a more comfortable level. In the last accounts there was a deficit of £260,000 on net current assets.

However, Mr. T. M. Palmer, who takes over as sole managing director following the departure of Mr. E. G. Murray with the sale of Panax, warned that the land sale and the sale of Panax will be completed after the year-end while the figures for the year to April 30 will have to bear the extraordinary cost of closing Ellvin.

AIRCO MAY COST BOC £235M.

BOC International has said that the total cost of increasing its stake in Airco Incorporated in U.S. to 100 per cent. is likely be around £235m.

BOC which originally held per cent. of Airco has announ that it now holds 93 per cent. a its offer for the outstanding sha has been extended until May 5.

The deal has been funded medium term loans from th British banks and Lond banches of five U.S. banks carrying an initial interest rate ¾ per cent. above the inter-ba rate. At current rates the inte bill will be about £20m. a ye The loans are repayable over t years beginning at the end of 19

Meanwhile the Airco bo which includes three execut members from BOC—includ BOC chairman Sir Leslie Smit is due to meet on Thursday. It unlikely, however, that there w be any sweeping board changes a result of the increase in BO stake in Airco.

FURNESS WITHY SHARES JUMP

Shares of Furness Withy, shipping group which was t subject of a tentative takeo approach from European Fer last autumn, rose to 280p at o stage yesterday before falli back to 268p (a net gain of 19p the day) after a denial from t company of any further bid tal

Mr. Tom Pulley, Furne finance director, emphasised th there were no talks with anybo and that the company knew no reason for the price rise.

Meanwhile, Mr. K. Sidd managing director of Europe said that its holding of 4.99 p cent. was unchanged. Europe was neither a buyer nor a sell but was monitoring Furness' pe formance.

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INTERNATIONAL FINANCIAL AND COMPANY NEWS

RTH AMERICAN NEWS

ennecott confident of proxy victory

r JOHN WYLES

NEW YORK, May 2.

AGEMENT of Kennecott er Corporation was con- t of victory late to-day in atlle to stave off a proxy enge from Curtiss-Wright ration after a gruelling and ionally disorderly five-hour al general meeting.

ne 1,200 people flocked to Plaza Hotel in New York norning, unsure of whether had been cheated of one e great corporate dramas year by a Federal District Judge who ruled yester- fternoon that Curtiss had ed securities laws and anti- legislation. He permanently ued the company from vot- s 9.9 per cent. holding in ecott and from soliciting ore proxies in support of oposal to replace the cop- mpany's 17 directors.

tiss-Wright immediately set obtaining stay of execu- of the ruling which was d by Appeals Court judges *about 15 minutes* before the annual meeting was due to start. *Proceedings finally* got under way after a 15-minute delay, but *Curtiss-Wright* had clearly been badly shaken by a decision which the *company's chairman, Mr. T.* Roland Berner, said had been *totally unanticipated, and which* he claimed had cost it at least *one block of half a* million votes.

This may be crucial to the outcome of the battle. The official result of to-day's share-*holder* voting is due to be reported on May 16 and much *depends* on whether a full Appeals Court hearing and ruling is *obtained before then. If a* ruling is given in favour of Curtiss-Wright *which is then* found to have lost the proxy battle, observers expect the New Jersey company to seek a rerun of the proxy solicitations on the grounds that it was unjustifiably hurt by the District Court decision. A haggle over the validity of some of the proxy votes between Curtiss-Wright and Kennecott could prevent any firm declaration of voting until an Appeals Court ruling is obtained.

Curtiss-Wright's case for electing its insurgent Board had some resonance with shareholders' complaints against the company, namely that its profit performance in recent years had been weaker than was justified by the difficulties of the copper industry and that at least some of the $1.2bn. proceeds from the forced divestiture last year of the *Peabody Coal* company should have been distributed to *shareholders.*

Curtiss - Wright's proposed solution is to sell off Carborundum, acquired for $567m. out of *the return from the Peabody* sale and to distribute $40 a share to each shareholder surrendering half of his stake in Kennecott. Mr. Milliken and his fellow directors concentrated their attack on the impracticalities of this approach and it took an ordinary shareholder who said he had been to one general meeting in the last 15 years to present the case with a vigour that might have been expected from Kennecott's management.

"This is one of the most *frightening things seen in* American business for many *years.* We are *seeing a large* corporation endeavouring to seize another large corporation in order to make a big profit on the stock. A vote for Curtiss-Wright is a vote for the destruction of Kennecott," he said to loud applause.

After the meeting, Mr. Milliken disclosed that just before it started, the company had rejected *a proposal* from Mr. Berner that Kennecott and the *dissident* directors split the number of seats on the company's Board in proportion to the voting in the election.

Stock issue approved at Chrysler

By Our Own Correspondent

NEW YORK, May 2.

CHRYSLER CORPORATION *to-day* won shareholder approval for a Preferred stock issue designed to help the company finance a $7.5bn. capital expenditure plan for the next five years.

So far Detroit's third-largest car maker has not disclosed the possible size or terms of such an issue but has said it will sell some of the 20m. shares authorised to-day within the next month or two.

Management had to scramble vigorously for the 50 per cent. of outstanding stock needed to change the company's certificate of incorporation. Its efforts had run into a mixture *of opposition stemming from* the company's poor recent financial performance and shareholder disinterest.

In the event, some 32.768m. shares were mustered in favour of the proposal, or 54.34 per cent. of outstanding shares More than 5.1m. or 8.5 per cent. were *cast against the* management's proposals which also included a request to increase the Common stock authorisation by 40m. shares. Chrysler said the additional Ordinary stock was needed to service an employee stock ownership scheme.

Following the first-quarter loss of more than $119m. there was *speculation that Chrysler's* dividend might be cut. But after to-day's meeting, chairman Mr. John Riccardo said he would recommend that the directors maintain the 25 cent quarterly dividend. Earlier he told the annual meeting in Detroit that management was *aggressively trying to build* "a totally new, modern and more competitive corporation."

Meanwhile, Chrysler president Mr. Eugene Cafiero told the meeting that he is confident that the British operation will finish the year in the black after a first-quarter profit *of £264,000. Chrysler (U.K.)* sales were up almost 55 per *cent. in the period over the* same 1977 quarter.

U.S. CAR COMPANIES

Margins pose a problem

BY JOHN WYLES IN NEW YORK

THE QUARTERLY profit and loss figures published last week by the three major U.S. car manufacturers contain the seeds of a substantial problem for the Carter Administration's anti-inflation policy. General Motors, whose leadership of the industry is always sensitively attuned to its own relations with Washington, was predictably alert to the problem on Friday afternoon, when it coupled an announcement of a general 1.4 per cent. price increase with a statement of support for the President's quest for a deceleration of cost and price increases.

The significance of GM's announcement at the end of a week in which both the Detroit number one and Ford had revealed an erosion in profit margins, while Chrysler had plunged to a record first quarter deficit, cannot be underestimated. Neither GM nor Ford is expected to match last year's *peak profits in 1978, because of* the sales cycle and the maturity *of the current U.S. economic* recovery. But their performance this year could be very much poorer if, as GM indicated on Friday, it is seeking to dance to President Carter's tune by holding this year's price increases below the 6 per cent. level of last year.

Leadership of this kind on the question of prices could not only weaken GM's performance, but it could also sharply erode mar*gins* at Ford and Chrysler, whose ability to absorb increased *costs and to generate funds for* capital investment is limited by their lower volume sales. If, *on* the other hand, GM finds itself able to absorb higher costs of labour and materials only at the expense of substantially reduced profits, then its undertakings in the spring may well be put to one side by the winter, and the President may find the nation's *leading consumer product in*dustry out of step with his anti-inflationary programme.

Although Mr. Robert Strauss, *the President's champion in the* battle with inflation, thought on Friday that GM's approach to price increases was "responsible," *the company's announcement* contained gentle warnings of *future difficulties. GM warned* that its steel costs had already *climbed 9 per cent.* this year, and claimed that its labour costs *are rising at an annual rate of* 10 per cent. The steel companies have already warned that they may introduce higher charges later in the year, and this in turn will put more pressure on the motor industry's costs.

It is now virtually certain that the car companies will have to shoulder these cost burdens on lower volume sales than last year. Although GM is still faithful to its prediction of a record 15.5m. cars and trucks for 1978, most analysts put the likely sales *total at about* 1m. less, with car sales falling 300,000-400,000 short *of last year's* 11.2m. GM plans to spend $3.8bn. on tooling and capital investment in 1978, Ford $2.6bn. and Chrysler $775m., and reduced profits and profit margins will make such expenditures more taxing for each of the three companies.

***In response to a suit filed in* the Manhattan Supreme Court alleging that Ford Motor had extended an exclusive concession to Canteen Corporation to supply food and drinks at various offices and factories, Mr. Henry Ford II, the chairman, said that Canteen Corporation was only one of 50 such suppliers, taking less than a quarter of Ford's U.S. business and an even smaller share overseas.**

GM graphically signalled the *profits squeeze when it published* its quarterly results last week. At $14.9bn., sales in the first quarter were 10 per cent. up on the same period last year, but income was 3.7 per cent. down because, said GM, "inflationary pressures continued to have an unfavourable effect no the corporation's net income and profit margin." The latter tumbled *0.9 per cent. to 5.8 per cent. from* the first quarter last year. Ford encountered exactly the same difficulty. Its North American *dollar sales* rose 7 per cent., but profits tumbled nearly 23 per *cent. to $232.2m. In fact.* Ford was saved from an extremely dis*appointing first quarter* by its overseas operations, which contributed an unexpectedly high $234m. to net income. While Ford's profit margin fell from 5.3 to 4.7 per cent., Chrysler proved totally incapable of coping with a 15 per cent. drop in sales, higher tooling and launch costs and substantial losses overseas.

An added pressure on Detroit's *profit margins is coming from* the sales mix forced on the car industry by the Government's fuel economy regulations. The American consumer has proved far more willing to embrace the smaller car than even the companies had hoped. Profit per unit is lower on the small car, and both GM and Ford have shaved prices on their most *diminutive* models to head off the challenge of imports. Partly as a result, dealer sales of the smallest sub-compacts have risen 29.5 per cent. compared with the same period last year. Sales of intermediate and full-sized cars, the real profit spinners, have fallen by 8.7 and 10.6 per cent. respectively.

Against this background of *tightening margins,* GM's announcement of last Friday contained one other element of great significance. For many years, Detroit has adjusted its prices in September at the start of each new model year, but GM now says that "as part of its anti-inflation efforts under the *President's programme,"* it will move away from once a year *pricing to "interim adjustments* to achieve deceleration of prices." It is not too cynical to foresee a situation towards the end of the year where the administration will have difficulty staging a fight with Detroit over a 1 per cent. increase in prices which could have followed four previous increases totalling 5.5 per cent. This may be a com*forting prospect for those pre*occupied with the car industry's profits, but there would be no rejoicing in the White House.

Air Liquide deal with llegheny

tewart-Fleming

NEW YORK, May 2.

Liquide, *the leading* industrial gases producer. eached agreement on a expansion of its U.S. rial gases business with the ed acquisition for around of the bulk of Allegheny n Industries gases ss.

gheny, which had sales es last year of $1bn., y acquired a 44 per cent. t in the U.K. company son Match and is primarily d in the specialty steels ss.

year is acquired tron, which had a large ial gases division, and it is business, excluding its dioxide facilities, which iquide's U.S. subsidiary is

Liquide's U.S. operations ndled through a 79 per controlled subsidiary, the ancisco-based Liquid Air. Air's minority stock is over the counter in the ast year, its sales revenues $284.5m. and net income 9.9m.

eturn for its industrial business, Allegheny will one third interest in the ry shares of Liquid Air. on the price of Liquid Air on the over the counter recently of $26.25, this *value on the transaction of* 87m.

heny is not disclosing the evenues or earnings of the ses it is disposing of.

L'Air Liquide deal with ny strengthens its U.S. ons, and coincides with h larger expansion in the one of its chief inter- rivals, BOC Inter- , which has taken control , one of the largest indus- ases producers in the with sales revenues of last year. Of this, gases counted for $530m.

FLY

vance at ouse-Hinds

THE companies report- se in net profit for the rter of 1978 compared same 1977 period was *Hinds*, with 55 cents a gainst 46 cents. Also s Central Telephone and Corporation, with 72 gainst 66 cents, Purex s against 46 cents), and James with 70 cents 3 cents. Di Giorgio man- ise to 30 cents from 21 with Philip A. Hunt showing a same again . *In a similar situation* co again with 95 cents. Holding Corporation with 63 cents against nts a share for the first last year, while Clorox 9 cents again this time. Corporation, however, $1.34 from $1.08 while *was also well ahead* 5 against 83 cents. Ideal ndustries managed 58 ainst 50 cents, while porting its second quar- ved 94 cents, up from nts for the same time . Showing first quarter the other hand were International which for to March 26 shows 69 *share against 78 cents.* dustries was also lower inst $1.15, *while* Alpha Industries reports a *this time* of $751,000. re was in a similar situa- its third quarter show- s of $704,000 against a from continuing opera- the same period of last

Merrill for talks on White Weld

BY DAVID LASCELLES

NEW YORK, May 2.

MR. DONALD REGAN, chairman of Merrill Lynch, the largest U.S. securities firm, confirmed to-day that his company will shortly be meeting officials from the Anti-Trust division of the Department *of Justice about its recent* acquisition of White Weld, *another Wall Street broker. But* he described it as "a normal inquiry" which the company had expected, and he did not "anticipate any harmful effects."

Mr. Regan, who was addressing the annual shareholders' meeting, defended the acquisition, which marked one of the largest mergers of Wall Street brokers, as a good arrangement for both parties *since* it brought *together* White Weld's expertise in mergers, private placements and energy financing with Merrill Lynch's strength in utility and bank financing.

Mr. Regan made no comment about a recent Wall Street Journal report which said that White Weld and Company, the *major subsidiary of White Weld* Holdings, had recently begun to incur heavy losses.

However, in his address to the meeting, Mr. Regan departed from the prepared text, which described White Weld at the time of the merger as "a healthy, viable firm" to qualify it as a "well-known and respected firm." The company later denied that the *change was* significant.

It is possible, however, that Merril Lynch is preparing for its encounter with the Justice Department when it may wish to defend the acquisition on the grounds that it strengthened *White Weld's financial position.*

Commenting on the big Wall Street rally *in the second half* of last month, Mr. Regan said *that his company believed the* stock market reached its low for the year in late February, and that the rally signalled a "real turnaround." Some of the strongest trends were in non-institutional stocks, he said.

Also, in the first quarter of this year, the individual investor had become a net buyer for the first time since 1969, though he sold heavily again in April. But Merrill Lynch is not optimistic. It expects the economy to *slow* down again by early next year, *and gives an actual recession a* near 50 per cent. probability.

Coca-Cola predicts rise

NEW YORK, May 2.

COCA-COLA *reports* net income for the first quarter up from $65.68m. on 53 cents a share to $73.93m. on 60 cents a share. Sales increase from $785.6m. to $891.9m.

Coca-Cola said that unit sales of soft drinks in the U.S. during the first quarter were only slightly higher than a year ago due to the severe winter weather. Stronger domestic unit gains are expected for the remainder of the year.

Overseas soft drink unit sales during the quarter were ahead of the previous year by more than 10 per cent., led by strong gains in Latin America and the Pacific. Among Coca-Cola's five largest foreign markets, Brazil Japan and Mexico all reported strong volume gains while Canada and Germany were up moderately. The company expects the good foreign volume gains to continue, and predicts continued sales and earnings gains throughout *the rest of the* year.

Agencies

Take-over bid for Hyatt

CHICAGO, May 2.

HYATT Corporation's principal stockholders, the Pritzker *family*, are to offer $15 a share for pub*licly held stock* of the hotel operator.

The Pritzker family owns 2.8m. Hyatt shares or about 35 per cent. of the total outstanding. Hyatt said that the invest*ment banking* firm of Drexel Burnham Lambert and the financial evaluation firm of Standard Research Consultants have been retained to determine the fairness of the proposed Pritzker offer.

AP-DJ

Atlantic Richfield sees sales rise

LOS ANGELES, May 2.

ATLANTIC Richfield *expects* 1978 sales of about $12bn. compared *with $11.4bn.* last year, company president Mr. T. F. Bradshaw *told* the annual meeting. He made no earnings fore*cast, although* the company's growth is on target.

In the first quarter of this year, Arco earned $1.23 a share compared with $1.20 in the year-ago period.

Reuter

U.S. QUARTERLIES

AMERICAN STANDARD

First Quarter	1978 $	1977 $
Revenue	515.0m.	444.0m.
Net profits	26.0m.	24.0m.
Net per share	1.88	1.34

ELECTRONIC DATA SYSTEMS

Third Quarter	1978 $	1977 $
Revenue	57.0m.	43.0m.
Net profits	5.0m.	4.0m.
Net per share	0.39	0.35

EMERSON ELECTRIC

Second Quarter	1978 $	1977 $
Revenue	570.0m.	466.0m.
Net profits	44.0m.	37.0m.
Net per share	0.77	0.64

GULF RESOURCES & CHEM.

First Quarter	1978 $	1977 $
Revenue	85.0m.	90.0m.
Net profits	1.0m.	5.0m.
Net per share	0.05	0.57

HALLIBURTON

First Quarter	1978 $	1977 $
Revenue	1.4bn.	1.2bn.
Net profits	79.0m.	68.0m.
Net per share	1.34	1.16

INT. FLAVORS & FRAGRANCES

First Quarter	1978 $	1977 $
Revenue	90.0m.	80.0m.
Net profits	14.0m.	11.0m.
Net per share	0.38	0.31

NAT. MEDICAL CARE

First Quarter	1978 $	1977 $
Revenue	36.0m.	30.0m.
Net profits	3.0m.	3.0m.
Net per share	0.71	0.57

PIONEER

First Quarter	1978 $	1977 $
Revenue	133.0m.	122.0m.
Net profits	11.0m.	12.0m.
Net per share	1.13	1.25

QUAKER OATS

Third Quarter	1978 $	1977 $
Revenue	412.0m.	384.0m.
Net profits	20.0m.	15.0m.
Net per share	0.97	0.70

UNITED ENERGY RESOURCES

First Quarter	1978 $	1977 $
Revenue	527.0m.	402.0m.
Net profits	24.0m.	22.0m.
Net per share	2.08	1.87

INTERNATIONAL FINANCIAL AND COMPANY NEWS

INSURANCE IN THE EEC

Another step towards integration

BY GUY DE JONQUIERES IN BRUSSELS

IF MANY British insurers take a somewhat jaundiced view of the EEC these days, it is understandable. Only a few years ago it was widely supposed that the industry would be a prime beneficiary of entry. Community membership was confidently expected to open up new markets in which U.K. insurers' competitiveness and expertise would quickly win them a position of commanding strength, while the balance of payments gained from the accompanying increase in invisible earnings.

But the legal and technical barriers to expanding EEC business have proved far more obstinate than anyone had imagined, and little real progress was achieved during the first five years of Britain's membership in dismantling them. Countries like France, which subject their insurance companies to a stifling array of restrictions, have been unwilling to consent to changes which would lessen state control over the sector, thereby keeping the incentive for outsiders to enter their markets to a minimum.

Indeed, some of the measures taken so far by the EEC in the name of liberalisation have inadvertently created more restrictions than they have removed. As a result, British insurers have continued to concentrate on those overseas markets, like North America, where they are already well-established and enjoy considerable freedom of operation. The proportion of their international revenues coming from the EEC—about 11 per cent. last year—has barely increased since entry.

Recently, however, efforts to create a genuine common market in insurance have received some new impetus. Earlier this month, EEC finance ministers approved in principle a directive which will eliminate most of the existing obstacles to cross-frontier co-insurance in the community. When it takes effect after a two-year delay for ratification it will enable companies from different countries to enter freely into joint contracts to underwrite major liabilities like tankers and oil rigs. By allowing the risks to be spread more widely, the directive should relieve pressures on the capacity of national markets.

Compromise

Encouraged by this success, the finance ministers have agreed to consider in June another proposal which would grant life insurance companies the right to establish themselves anywhere in the EEC. Two main points remain to be settled before it can be approved. One is highly technical and concerns the way in which companies should establish their "solvency margins." A compromise appears to be shaping up which would permit insurers to choose between the actuarial method in use in Britain and a less sophisticated system, based on past financial performance, which Germany and some other countries would like.

The second issue is more sensitive politically and centres on the treatment of composite insurance companies, which do both life and indemnity business. These firms are rare in the EEC outside Britain and are, indeed, currently banned by law in several EEC countries on the grounds that profits from one side of the business could be used to subsidise under-cutting or losses on the other.

There seems a good chance that the nine will meet half way by agreeing to review the operations of composites at some future point. Meanwhile, an interim regime must be devised to allow composites to establish themselves in countries where they are banned at present by national law. The most likely solution would be to permit them to set up branches for one line of business and to require them to handle the other through subsidiaries.

Despite the complexity of the issues involved, agreement on freedom of establishment would only be a very preliminary step, which would eliminate overt discrimination by laying down basic criteria for licensing and official supervision. A further directive would be needed to harmonise national regulations on actual operations and key issues like the physical location of reserves. However, more than token liberalisation would also require a significant dismantling of national exchange controls—a development that seems unlikely in the near future.

For these reasons, the non-life sector is attracting rather more attention from EEC officials. The right to freedom of establishment in this field was established several years ago, and there is cautious optimism in Brussels that approval of the co-insurance directive may clear the way for a companion proposal to break down national barriers to coverage of large commercial risks, particularly in transport. Because this would apply only to traders, it will not be necessary to spend time drawing up elaborate codes of protection to safeguard the interests of the ordinary man in the street.

Solution

One of the trickier problems involved, the matching of assets and liabilities, appears already to be on the way to a solution. British insurance companies are required only to match foreign assets and liabilities on an overall basis. But France has been insisting that liabilities be matched exactly by assets denominated in the currency of the country where the risk is located. The French aim is to prevent insurance companies from using their currency holdings for speculative purposes. But its demands would also impose impossibly severe constraints on companies' operations.

It is a sign of progress that France agreed to surrender this principle when it approved the co-insurance directive—though a precise formula for matching of assets has still to be hammered out.

It did so under strong pressure not only from Britain but also from Germany, whose growing interest in international insurance activities is viewed by EEC officials as a powerful source of support for further moves towards liberalisation.

Two other thorny issues have still to be tackled—contracts and taxation. In the British view, it is up to the parties to a contract to agree whatever they like and for the courts to sort out any resulting disputes. On the continent, by contrast, the terms of contracts are strictly defined in law and must conform to a model policy sanctioned by the official supervisory body.

Premiums are not subject to tax in the U.K. but are liable to VAT in most continental countries. Under EEC law, this discrepancy could give rise to distortions of competition because it gives British insurers a commercial advantage.

The Commission believes that it may be possible to circumvent—if not actually remove—both obstacles by limiting the degree of harmonisation required at this stage. It is thus proposing that for the moment the tax of the country where a specific item of business is located should apply, while the parties to a contract should be permitted to choose between the law of the country of the insurer and the country of the insured, where these differ.

Arrangements of this kind could work, it argues, at the big end of the market, where business is handled by sophisticated professionals on both sides. But much more painstaking work will have to be done to eliminate barriers before the EEC can claim to have created a common market in insurance that means something to the ordinary European citizen.

VMF-Stork order books continue to shrink

By Charles Batchelor

AMSTERDAM, May 2. VMF-Stork, the troubled Dutch engineering group, said new orders declined in the first three months of 1978, continuing the trend of the past two years. Orders were more than 10 per cent. lower than in the same 1977 quarter after falling to Fls.1.77bn. in 1977 from Fls.1.9bn. the year before.

VMF-Stork must reduce capacity by 10 per cent. from its maximum level of about Fls.2bn., managing board chairman Mr. Feyo Sickinghe told a Press briefing.

The company sees no reason to change its earlier forecast that losses will continue this year after the loss of Fls.132.9m. in 1977. The size of this year's loss will depend on the speed with which the reorganisation of the company can be carried through and general economic trends.

It is currently carrying out a restructuring of its loss-making divisions with the help of Fls.235m. of government aid. Cutbacks in VMF-Stork's problem sectors are expected to lead to the loss of nearly 1,400 jobs this year, while a further 400 will be lost due to natural wastage. This follows a fall of more than 1,800 last year, taking the workforce to 19,766 on January 1.

Cutbacks already overtaken in the plastics processing machinery and foundry divisions are expected to have a positive influence on this year's result. VMF-Stork also hopes for an upturn in export demand this year after 1977, when there were no big foreign orders.

Five of VMF-Stork's seven divisions made a profit of Fls.31m. in 1977, but this was not enough to compensate for an operating loss of Fls.59m. and reorganisation losses of Fls.90m. The loss-making areas were paper and textile machines and heating and lighting technology.

The energy and engineering divisions in particular have seen order volume much reduced over the past three years. VMF-Stork also suffered a decline in orders from developing companies which it attributed to the lack of adequate Government aid. Developing countries accounted for 13 per cent. of new orders in 1977, compared with 17 per cent. the year before.

Generale Alimentaire to disappear in Goldsmith reshuffle

BY DAVID WHITE

PARIS, May 2.

SIR JAMES Goldsmith's French master company, Generale Occidentale, is taking over direct control of the French food interest previously grouped under its subsidiary, Generale Alimentaire.

In a move said by the company to be aimed at simplifying the group's structure and reducing its fiscal burden, Generale Alimentaire will disappear, leaving the master company with its French operations on the one hand and, on the other, its international operations grouped under the U.K. company Cavenham.

Sir James separated Generale Alimentaire from Cavenham, which previously controlled it, after tying up his full ownership of the British group last year. GO holds about 98 per cent. of Generale Alimentaire. The latter's operations, under the new plan, will be taken over by three newly-formed subsidiaries of the master company, Unalim, Bialim and Trialim. Unalim will run the cakes and desserts division, Bialim condiments and spices, and Trialim confectionery.

The transfer is to be undertaken by the issue of shares by the three new companies, made over nominally to Generale Alimentaire. These will then be transferred to the master company under a deal which offers Generale Alimentaire's minority shareholders shares in GO.

GO will issue 29,090 new shares for this purpose, to be distributed to minority shareholders on the basis of one for every two shares they hold in Generale Alimentaire.

Generale Alimentaire is thus being suppressed by a process which first brought it under direct control, is now turning it into a holding company and will eventually merge it with GO. All the group's interests outside France, including several previous subsidiaries of Generale Alimentaire, now come under Cavenham.

Last week, GO increased its stake in the French l'Express magazine group to about 66 per cent. Sir James becomes chairman of the group, in which the family of the French politician Jean-Jacques Servan-Schreiber has a blocking interest.

Chrysler-France reverse

BY OUR OWN CORRESPONDENT

PARIS, May 2.

CHRYSLER Corporation's French manufacturing subsidiary—is due to pay almost doublt its previous dividend to the parent company this year, despite a sharp fall in its 1977 profits.

Provisional figures from Chrysler-France, which is 99.9 per cent. owned by the U.S. group, showed that net earnings last year dropped to Frs.47m. ($10.2m.) from Frs.215m. in 1976. The proposed gross dividend, on the other hand, is up from Frs.6.50 to Frs.13.50.

A company representative said the increase was aimed at establishing a "normal dividend policy." The dividend paid last year was held down to comply with government curbs despite a record profit in 1976.

When the two years' earnings figures and dividends were taken together, the pay-out was about 22 per cent., "not abnormal" as a share of profit, he said.

The dividend will be only the third Chrysler-France has paid. The first was in 1974, and the dividend was omitted in the following two years because of heavy losses. Before 1974 the company had followed a policy of reinvesting its profit in France.

The company said its 1977 result was affected by exceptional costs, especially the preparations for its Simca Horizon range of small cars, which went into production this year.

Difficult trading conditions had also added to costs although unit sales were good, and Government curbs had kept the increase in manufacturers' prices well below the general inflation rate. But the company expressed some optimism that the promised relaxation of industrial price controls in the second half of this year would improve the picture.

Audi NSU profits up sharply

BY OUR FINANCIAL STAFF

A SHARP rise in profits and a major capital investment plan were announced yesterday by Audi NSU, the quality car subsidiary of Volkswagen.

In 1977 net profits rose by 58 per cent. to Dm.87m. ($44m.) on sales not quite two-fifths higher at Dm.4.23bn. Production in the current year is expected to average out at around the 1977 levels.

Audi plans to invest around a total Dm.1bn. ($250m.) this year and in 1979, company finance director Wilhelm Neuwald told a Press conference. The chief aim is for rationalisation and replacement of old plant. Around one-third of the amount will go to the Neckarsulm factory and the major portion to Ingolstadt.

Almost half of the investment is for model development, with the Audi 80 to be superseded although no details were given.

Lossmakers in Sweden

BY WILLIAM DULLFORCE

STOCKHOLM, May 2.

ONE IN FOUR of Sweden's biggest 200 companies made a loss last year, according to a compilation of the 1977 results published by Veckans Affaerer the Stockholm economic weekly. This survey documents the drastic plunge in Swedish corporate profits, which took place last year and which had begun to crystallise as individual company reports came in.

The 200 largest companies by sales registered overall pre-tax earnings of only Kr.304m. ($66m.), giving a margin of only 0.1 per cent. on total sales. This compares with a margin of 6.9 per cent. for the top 200 in 1974 and 2.3 per cent. in 1976.

The combined losses of the 25 per cent. of companies, which finished in the red, totalled Kr.7.45bn. against Kr.2.25bn. in 1976, when one in six showed a loss. The 1977 figure is swollen by the extraordinarily heavy losses returned by two State-owned concerns—the shipbuilding group Svenska Varv, which reported a loss of Kr.2.2bn., and Statsfoeretag, the State industrial holding company, which returned a Kr.1.2bn. loss.

Graenges with a Kr.904m. loss and Uddeholm with Kr.575m. were the most badly affected of the private companies. On the other hand, one in four of the top 200 improved earnings last year, although the majority of these were smaller companies. The table of the most profitable concerns is headed for the second year running by a subsidiary of a foreign concern, Rank Xerox, which had a profit margin of just under 23 per cent.

For the first time since 1968 the companies' capital spending declined. Investments fell by 5.1 per cent. from Kr.23.7bn. to Kr.22.5bn

$22m. FEMSA stake for Bosch

By Robert Graham

MADRID, May 2.

ROBERT BOSCH group of West Germany is to pay $22m. for the 51 per cent. stake it is acquiring in Fabrica Espanola de Magnetos (FEMSA), Spain's leading supplier of electrical equipment to the automotive industry. According to Mario Caprile, president of FEMSA, the acquisition will take place through a one-for-two capital increase and be completed by June.

Explaining the deal, which has just been concluded, Sr. Caprile said that Bosch had been brought in as a partner to consolidate FEMSA's future, in particular in anticipation of Spanish entry into the EEC. He said FEMSA, which relies almost exclusively on supplying the motor industry, descided on a major expansion programme in 1974 based on the assumption that by 1978 Spain would be producing 1.5m. vehicles a year.

EUROBONDS

New issue volume curbed

BY MARY CAMPBELL

THE dollar sector fell back somewhat yesterday in belated reaction to the interest rate rises in the United States and following Eurodollar rate rises.

The D-mark sector however, was steady. The main news was that the Capital Markets Sub-Committee had agreed a limited volume of issues and only for the first half of this month.

It will meet again to reassess the condition of the market before agreeing the calender for the second half of the month.

The schedule for the first half of May comprises four issues totalling a relatively low DM340m. The Committee will meet again on May 12.

Meanwhile, the D-mark sector is expected to be relatively quiet this week since Thursday's Ascension day holiday follows so closely on Monday's holiday.

The detailed list of underwriters for Canada's DM600m. issue is not yet complete, but about 35 institutions have been invited. Clarifying a point raised by some institutions, the lead manager, Deutsche Bank, said yesterday that its present intention is to hold the DM500m. six-year Canadian notes it is taking onto its own books until maturity.

A new guilder foreign bond was launched yesterday—Fls.75m. for ten years for the Republic of Finland. It offers a 7¾ per cent. coupon.

Due for announcement soon is a 150m. Saudi Riyal issue for Morocco's Banque Nationale de Developpement Economique.

Caisse Nationale de Telecommunications' $75m. issue is to be priced to-day. A discount is certain.

● Cedel, the Luxembourg-based international bond clearing system, is looking into ways of establishing a link with the Asian dollar bond market, Reuter reports from Singapore. Among possibilities being examined is an on-line link with a bank in Singapore acting as cedel depository, similar to the link already operating between cedel and the New York bond market.

BNP ahead

Profits higher by 13 per cent. at the net level are announced for 1977 by Banque Nationale de Paris, one of the largest banks in France. Agencies report from Paris.

Consolidated net profits are Frs.406m. against Frs.358m. The dividend is Frs.24.75 a share on capital increased by almost a fifth, compared to Frs.28.08 in 1976.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan Australia 8¾pc 1989	96½	97½
AMEV 8pc 1987	97¼	98
Australia 8½pc 1992	94½	95
Australian M. & S. 9½pc '92	97¼	98½
Barclays Bank 8¾pc 1992	97	97½
Bowater 9½pc 1992	97½	98½
Can. N. Railway 8¾pc 1986	97½	98¼
Credit National 8¾pc 1986	97½	98
Denmark 8¾pc 1984	100	100½
ECS 9pc 1993	98½	99½
ECS 8¾pc 1997	95½	96
EIB 8¾pc 1992	98½	99¼
EMI 9½pc 1989	93	95½
Ericsson 8½pc 1989	96½	97½
Esso 8pc 1986 Nov	101½	102
Gt. Lakes Paper 8½pc 1984	98½	99½
Hamersley 9½pc 1992	100	100½
Hydro Quebec 9pc 1992	95½	96½
ICI 8¾pc 1987	97½	98¼
ISE Canada 9¼pc 1986	104½	105
Macmillan Bloedel 9pc 1992	96	96½
Massey Ferguson 9¼pc '91	97	98
Michelin 9¼pc 1988	103	102½
Midland Int. Fin. 8¾pc '92	98½	99
National Coal Bd. 8pc 1987	94½	95½
National Wstmnstr. 9pc '86	101½	102
Newfoundland 9pc 1989	99½	100½
Nordic Inv. Bk. 8¾pc 1988	98½	99½
Norges Kom. Bk 8¾pc 1992	97½	98½
Norpipe 8¾pc 1989	96½	97½
Norsk Hydro 8¾pc 1992	96	96½
Oslo 9pc 1988	100½	101½
Ports Autonomes 9pc 1991	98½	99
Prov. Quebec 9pc 1995	96	96½
Prov. Saskatch. 8¾pc 1986	99½	100½
Reed International 9pc 1987	93	95
RHM 9pc 1992	93½	94
Selection Trust 8¾pc 1989	91	92
Skand. Enskilda 9pc 1991	99½	100½
SKF 8pc 1987	93½	94
Sweden (K'dom) 8¾pc 1987	96½	97
United Biscuits 9pc 1989	99	99½
Volvo 8pc 1987 March	93	93½
NOTES		
Australia 7¾pc 1984	96	96½
Bell Canada 7¾pc 1987	95	95½
Br. Columbia Hyd. 7¾pc '85	94	94½
Can. Pac. 8¾pc 1984	99½	100½
Dow Chemical 8pc 1986	95	95½
ECS 7¾pc 1982	[illegible]	97½
ECS 8¾pc 1989	95½	96½
EEC 7¾pc 1982	97	97½
EEC 7¾pc 1984	96	96½
Enso Gutzeit 8¾pc 1984	97½	98
Gotaverken 7¾pc 1982	97½	98½
Kockums 8pc 1983	97½	98½
Michelin 8¾pc 1983	99½	100½
Montreal Urban 8¾pc 1981	100½	101½
New Brunswick 8pc 1984	97½	98½
New Bruns. Prov. 8¾pc '83	100½	101½
New Zealand 8¾pc 1986	98½	99½
Nordic Inv. Bk. 7¾pc 1984	96½	97
Norsk Hydro 7¾pc 1982	97½	98
Norway 7¾pc 1982	96½	97
Ontario Hydro 8pc 1987	96½	97
Singer 8¾pc 1982	100½	101
S. of Scot. Elec. 8¾pc 1981	100	100½
Sweden (K'dom) 7¾pc 1982	97	97½
Swedish State Co. 7¾pc '82	97½	98
Telmex 9¾pc 1984	99½	100½
Tenneco 7¾pc 1987 May	94½	95
Volkswagen 7¾pc 1987	95½	96½
STERLING BONDS		
Allied Breweries 10¾pc '90	90	91
Citicorp 10pc 1993	91	92
Courtaulds 9¾pc 1989	90½	91½
ECS 9¾pc 1989	94	95
EIB 9¾pc 1988	94	95
EIB 9¾pc 1992	94	95
Finance for Ind. 9¾pc 1987	90½	91½
Finance for Ind. 10pc 1989	91	92
Fisons 10½pc 1987	94	95
Gestetner 11pc 1988	94½	95½
INA 10pc 1988	90½	91½
Rowntree 10¾pc 1988	90½	91½
Sears 10¾pc 1988	90½	91½
Total Oil 9¾pc 1984	93	94
DM BONDS		
Asian Dev. Bank 5¾pc 1988	97	97½
BNDE 6¾pc 1986	96	96½
Canada 4¾pc 1983	98½	99
Den Norske Id. Bk. 6pc '90	97½	98
Deutsche Bank 4¾pc 1983	97½	98½
ECS 5¾pc 1990	95½	96
EIB 5¾pc 1990	95½	96
Elf Aquitaine 5¾pc 1988	95½	96½
Euratom 5¾pc 1987	97½	98½
Finland 5¾pc 1986	97½	98½
Forsmarks 5¾pc 1990	97½	98½
Mexico 6pc 1985	93	[illegible]
Norcem 5¾pc 1989	99½	100½
Norway 4¾pc 1983	99½	100½
Norway 4¾pc 1983	97½	98½
PK Banken 5¾pc 1988	95	95½
Prov. Quebec 6pc 1990	96½	97½
Rautaruukki 5¾pc 1986	96	97
Spain 6pc 1988	94½	95½
Trondheim 5¾pc 1988	97½	98
TVO Power Co. 6pc 1988	97½	98½
Venezuela 6pc 1988	97	97½
World Bank 5¾pc 1990	95	96½

FLOATING RATE NOTES	Bid	Offer
Bank of Tokyo 1984 8 15/16pc	99½	100¼
BFCE 1984 8¾p	99½	100½
BNP 1983 8 1/16pc	100½	101½
CCF 1983 9pc	100	100½
CGMF 1984 7¾pc	99½	99¾
Creditanstalt 1984 7¾pc	99½	100½
Credit Lyonnais 1982 9pc	99½	100½
DG Bank 1982 7 13/16pc	100½	100¾
GZB 1981 8 1/16pc	100½	101½
Intl. Westminster 1984 8pc	99½	100½
Lloyds 1983 7¾pc	100½	100¾
LTCB 1983 8pc	99½	100½
Midland 1982 8pc	101	101½
Midland 1987 7 11/16pc	99½	100
OKB 1983 7¾pc	100	100½
SNCF 1985 8¾pc	99½	99¾
Std. and Chtrd. '84 7 11/16pc	99½	100½
Wms. and Glyn's '84 8 1/16pc	99½	100½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¾pc '87	89½	91
Ashland 5pc 1988	96	97½
Babcock & Wilcox 6¾pc '97	98½	99½
Beatrice Foods 4¾pc 1992	98½	100
Beatrice Foods 4¾pc 1992	106	108
Beecham 6¾pc 1992	95½	96½
Borden 5pc 1992	101½	103
Broadway Hale 4¾pc 1987	79	80½
Carnation 4pc 1987	78½	80
Chevron 5pc 1988	138	139½
Dart 4¾pc 1987	81	82½
Eastman Kodak 4¾pc 1988	86½	88
Economic Labs. 4¾pc 1987	77	78½
Firestone 5pc 1988	82½	84
Ford 5pc 1988	93	94½
General Electric 4¾pc 1987	88	89½
Gillette 4¾pc 1987	78	79½
Gould 5pc 1987	112½	114
Gulf and Western 5pc 1988	87	88½
Harris 5pc 1992	168	170
Honeywell 6pc 1986	89½	91
ICI 6¾pc 1992	87	88
INA 6pc 1997	96	97½
Inchcape 6¾pc 1992	114	115
ITT 4¾pc 1987	84	85½
Jusco 6pc 1992	112	111
Komatsu 7¾pc 1990	127½	129
J. Ray McDermott 4¾pc '87	148½	150½
Matsushita 6¾pc 1990	171	172
Mitsui 7¾pc 1990	121	122
J. P. Morgan 4¾pc 1987	98½	100
Nabisco 5¾pc 1988	103½	105
Owens Illinois 4¾pc 1987	119½	121
J. C. Penney 4¾pc 1987	80	81½
Revlon 4¾pc 1987	118½	120
Reynolds Metals 5pc 1988	87	88½
Sandvik 6¾pc 1988	110	111½
Sperry Rand 4¾pc 1987	92½	94
Squibb 4¾pc 1987	80	81½
Texaco 4¾pc 1988	87½	89
Toshiba 6¾pc 1992	126½	127½
Ty Co. 5pc 1984	77	79
Union Carbide 4¾pc 1982	97½	99
Warner Lambert 4¾pc 1987	84½	86
Warner Lambert 4¾pc 1988	77½	79
Xerox 5pc 1988	80	81½

Source: Kidder, Peabody Securities.

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INTERNATIONAL FINANCIAL AND COMPANY NEWS

STRALIAN COMPANIES

Shareholders Association hits at National Mutual

Y JAMES FORTH

SYDNEY, May 2.

AUSTRALIAN Share- ers' Association has told the onal Mutual Life Associa- —Australia's second largest office—that it has a moral ation to make a takeover bid the entire capital of finan- Mercantile Credits. National ial recently decided to buy 30 per cent. shareholding in antile of the Hongkong and ghai Banking Corporation h, together with its existing per cent. equity, would give 57.8 per cent. interest.

e life office paid HKSB 6 a share, compared with then market price of 77 and to-day's price of ents.

tional Mutual declined to nd a comparable offer to ining shareholders, arguing stock exchange require- s only covered situations where the shares purchased *already* constituted "effective control." In this case National *Mutual only* gained control by aggregating the HKSB holding *with its existing stake.*

Only a few weeks earlier, *National Mutual* bought a *con*trolling interest in Common*wealth Mining Investments from* Consolidated Gold Fields of Australia and on that occasion was forced by the exchange requirements to extend a comparable offer.

The Mercantile arrangement came under criticism and National Mutual announced that "in the light of possible uncertainties surrounding the position of minority shareholders" it intended to reduce its stake in *Mercantile to 49 per cent.* "*over* a period of time, without creating a disorderly *market.*"

The ASA said regardless of any argument over "effective control." there seemed little doubt that National Mutual was now in effective control of Mercantile *and would remain in that posi*tion even if its holding was *reduced to marginally below 50* per cent.

"*We believe National Mutual* has a moral obligation to extend *an offer to all other shareholders* on terms at least as favourable as those negotiated with the Hongkong and Shanghai Banking Corporation," the ASA said.

"The major financial institutions have an important position in the Australian securities industry and we believe that these institutions should set impeccable standards in complying with both the spirit and the letter of stock exchange regulations."

Tax boost for Swan Brewery

By Our Own Correspondent

SYDNEY, May 2.

SWAN BREWERY COMPANY raised its profit 74 per cent., from SA9.5m. to SA16.6m. (SUS18.8m.) in the year to March 28, mainly because of substantial taxation allowances.

The company provided only SA1.36*m.*, compared with SA5.79m. in 1976-77. The major difference between the provision and the prima-facie tax level of SA8.36m. was a SA4.26m. reduction because of investment allowances and a SA2.54m. reduction of extraordinary items. The investment allowances reflect a SA70m. programme *currently under way to build a* major new brewery in Western *Australia.*

The dividend is lifted from 5 cents to 6 cents a share, and for the third successive year includes a "special bonus element" of 1 cent a share.

The dividend payout for the year is up from 8.5 cents to 9.5 cents, but directors caution that *maintenance of this level should* not be assumed because profits in coming years would be affected by interest and depreciation charges associated with the new brewery.

On a pre-tax basis, Swan increased earnings 22 per cent., from SA15m. to SA18.36m.

Ford Credit

Ford Credit Australia's profits rose 27.9 per cent. to a record SA2.3m. (*SU.S.2.6m.*) in *1977*, AP-DJ reports from Melbourne. *The 1976 profit was SA1.8m. The* company's loans rose 33.7 per cent. to SA295.1m. during the last year. No dividend will be paid to the parent, Ford Motor Credit Company of the U.S.

RA attacks government actions

IY OUR OWN CORRESPONDENT

SYDNEY, May 2.

ZINC Riotinto of Australia e local offshoot of the U.K. ng house Rio Tinto-Zinc oration — believes that ns taken by Federal and governments in Australia ecent years made the laws policies affecting the mining stry "less consistent and *predictable.*"

e chairman, Mr. R. H. egie told shareholders at y's annual meeting in Mel- ne *that uncertainties led to* ss of confidence which in *raised the return on invest-* needed to justify proceed- with a new investment. The ome was lower investment h in turn meant fewer jobs.

. Carnegie said the Federal rnment had indicated that as aware of the uncertain- facing foreign direct stors in Australia and was cious of the need to estab- the right climate to en- age future investment. CRA omed a statement by the e Minister, Mr. Malcolm er, that it was studying as atter of urgency all matters h might *inhibit foreign in-* nent in Australia.

"We have had *discussions* about the specific problems of Australian listed public companies now classified as foreign under the foreign investment legislation"

RTZ Holds more than 70 per cent. of CRA's capital, which has thwarted some of the group's attempts to expand through take-overs.

Mr. Carnegie's remarks came only one day after Australian group Howard Smith called off a proposed SA87m. joint takeover bid with CRA for New South Wales coal producer, Coal and Allied Industries Ltd. (CAIL). The offer was first made nine months ago but has been held up by the NSW State Government, which is still deciding whether it fits within *its recently announced guidelines* on foreign investment in the NSW *mining industry. Howard* Smith directors called off the *joint* bid because they had formed the opinion that the NSW Government was opposed to a significant CRA shareholding in CAIL.

Mr. Carnegie said that CRA *would hold further discussions* with the State Government about its attitude to CRA *participation* in CAIL and to investment in NSW generally, and would then review the position.

Mr. Carnegie said that CRA was unhappy with the CAIL situation and with the Federal Government's decision last year preventing it from maintaining a *major* stake *in* the SA1bn. plus Hail Creek coking coal project, *but allowing the U.S. oil major,* Exxon, to take a 25 per cent. stake.

"We still believe we could have made a significant contribution to CAIL—and the same applies to Hail Creek—but for reasons unknown to us the NSW Government appears to have decided other companies could make the same contribution." Mr. Carnegie said after the meeting.

"We would like to invest in coal where it represents a good commercial deal, but we are not in the *business of making* acquisitions just to get bigger.

"*We believe Australia is* being disadvantaged by our *classification as a foreigner,*" he added.

Cash offer from Hongkong Land

By Daniel Nelson

HONG KONG, May 2.

HONGKONG LAND is making a SHK40 a share cash offer for the remaining 47.4 per cent. of its subsidiary, City Hotels. The bid for the 3.12m. SHK5 shares is valued at SHK125m. (SUS27m.). Hongkong Land general manager, Mr. *Trevor Bedford,* described the move as "a common*sense rationalisation exercise,*" and said Land would have *greater participation in the* growth of the hotel group.

City Hotels last month reported a 1977 profit of SHK18.64m. (SUS4m.), up 4.66 per cent., and a final dividend of SHK1.40, compared with SHK1.35 the previous year. Before the announcement of the proposed deal, City shares were being quoted at SHK37 on the Hongkong Stock Exchange.

The giant Land company has also been named in rumours of a possible takeover bid for Hongkong and Kowloon Wharf.

● Hongkong and China Gas has declared an unchanged first quarterly dividend for 1978 of 19 cents a share.

Flour bid by Barrett Burston

Y OUR OWN CORRESPONDENT

SYDNEY, May 2.

EOVER activity in Australia ntinuing at a fair pace, with more bids having been unced. Australia's *largest* ster, Barrett Burston Aus- a *is seeking to diversify* with 7.1m. (SUS8m.) bid for flour r *and stockfeed* group, ton Minific McLennan. ett is offering two of its s for every five KMM s. The directors of both anies said they had reached agreement on a merger and that *the operations of the companies* were complementary and did not *overlap.*

In another diversification, Kemtron, the electrical products and lighting group, is offering SA3.00 a share cash for plant hire, property and investment company **CDF-Hooker**.

The directors of CDF-Hooker have already agreed to sell their 15 per cent. holding to Kemtron *and recommend the bid, which* is well above the stated asset *backing of SA1.80 a share.*

Kemtron incurred a SA746,000 loss in 1976-77 and has been recently disposing of assets to improve liquidity.

In another takeover situation, directors of Queensland timber group **Wilson Hart** have rejected a SA3.1m. bid from Queensland furniture maker Carricks.

SOUTH AFRICAN COMPANIES

Scotts Stores earnings dip despite jump in turnover

BY RICHARD STUART

JOHANNESBURG, May 2.

SCOTTS STORES, up to now one of the favourite growth stocks on the Johannesburg Stock Exchange, has reported sharply lower earnings for the year ended February. Pre-tax *profits at 23 per cent. down from* R4.7m. to R3.6m. ($4.1m.) des*pite a 3 per cent* increase in turnover from R54m. to R74m. ($85m.). As a result, margins were slashed from 8.8 per cent. to 4.8 per cent.

At the after-tax level earnings were down more *severely* from R3.1m. at R2.1m. The company *is now paying a full tax* rate after several years of keep*ing the rate well below the* maximum. The reason for this *is that a loss at on of its shoe* factories was not offsettable against other profits.

In line with a 33 per cent. drop in earnings per share, the dividend has been cut from 49 cents to 35 cents, consistent with the company's stated policy of maintaining approximately a 2½ times cover.

The retail sector has been ex*ceptionally hard-hit,* and the lower profits result from excessive *markdowns in order to* move merchandise. The chairman, Mr. Des Scott, is not overly optimistic of a rapid restoration of margins and describes trading conditions as still being tough.

Premier Milling lifts dividend

BY OUR OWN CORRESPONDENT

JOHANNESBURG, May 2.

PREMIER MILLING, one of South Africa's major food groups and a subsidiary of Associated British Foods, has reported a marginally net profit of R21.9m. *($25m.) higher earnings for the* year to March 31, against *R21.0m.* the previous year. Earnings a share are up 3.5 per cent. from 82.3c to 85.2c per share on a 20.5 per cent. turnover rise from R566m. to R682m. ($784m.). The dividend has been lifted 0.5c to 32.5c.

The company's chairman, Mr. Joe Bloom, says that growth in profitability was affected by adverse trading conditions in the margarine, feed, egg and poultry divisions. In addition, higher interest charges on addi*tional borrowings* raised to finance the large capital expen*diture programme also eroded* profits.

Second half profits *were 10 per* cent. lower than the first half, contrary to indications at the interim stage that profitability would improve in the second half. Gross profit margins are down from 7.5 per cent. to 6.7 per cent. year on year.

Trading conditions are expected to remain difficult, as a result of over-capacity in many of the industries in which the group *is engaged,* and profitability in the year ahead is *expected to improve only* at a modest rate.

The *results were below market* expectations, though at a 5.4 per cent. dividend yield at the current price of 600c, Premier Milling is still being accorded one of the highest ratings among South African industrial shares.

Halted Malaysian project may restart

BY WONG SULONG

KUALA LUMPUR, May 2.

A CONSORTIUM of Malaysian developers has put forward proposals to complete the building of the 44-storey Belmont centre in Kuala Lumpur. Work on the project stopped in 1976, following a liquidity crisis and the *subsequent collapse of the* owners, Belmont Properties SDN *Berhad.*

The consortium, comprising the Government - sponsored, Urban Development Authority, TAS, and Goodyear, have put forward proposals to the Belmont centre *purchasers and creditors.*

Under the proposals, pur*chasers of office and apartment* units at the Belmont Centre *would be required to sign an* agreement with a new company, *accepting a 15 per cent.* increase to their original purchase price, or accept the new company's offer of 60 cents cash for each ringgit of Belmont's debts, or a settlement of 30 cents cash plus 45 cents in terms of lots in the Belmont Centre.

The consortium says that if the creditors and purchasers of Belmont *agree to the terms, and* if court approval transferring the assets and liabilities of Belmont to the new company is granted, the consortium is confident of completing the project within three years.

Mr. David Bloom, of Peat Marwick Mitchell, the special *manager* for Belmont, said that Belmont has total debts amount*ing to 16m. ringgits ($U.S.6.7m.).* Unsecured creditors, he said, might *receive* no *more* than 20 cents to the ringgit if no scheme of reconstruction was arrived at.

Eidai scheme approved

OSAKA, May 2.

OSAKA DISTRICT Court has *approved an application from* Eidai Company to reconstruct *itself under Japan's corporate* rehabilitation law.

Eidai, a leading plywood and prefabricated home manufacturer, declared debts totalling Y130bn. ($575m.) in February.

The court named two receivers —Mitsuru Ota, president of the Association of Smaller Busi*nesses in Osaka,* and lawyer Masanobu Iriye—to work out a *reconstruction plan by the end* of April next year. It scheduled a *meeting of creditors for June* this year.

The receivers said that they hoped to salvage Eidai over three years.

Reuter

$14m. loss at Triomf Fertilizer

By Our Own Correspondent

JOHANNESBURG, May 2.

TRIOMF Fertilizer Investments has reported a trading loss of R12.4m. ($14.3m.) for the financial year ended in December. The net loss, after attributing the portion due to outside shareholders, was R4.8m. Triomf's losses were incurred at the phosphoric acid facility established at the new port of Richards Bay. The cost of this factory was R94m., and it *has* come *into* production at a time of oversupply in world *markets. The phosphoric acid* market has hardened in recent *months, however, and Triomf is* expecting to produce an overall *profit in the year ahead.*

Triomf has a strong hold on the domestic fertiliser markets and profits from this source are expected to offset continuing export losses from the phosphoric acid plant.

Triomf, which in 1976 made a trading profit of R5m., and a *net profit of R5m., is* jointly controlled by Louis Luyt and several large agricultural co-operatives.

Although the Triomf group as a whole is expected to move into profit this year, it is still faced with an onerous repayment schedule on foreign loans raised to finance the phosphoric acid project. Some R13m. is repay*able by August, 1979.*

The plant was originally *financed on a quick repayment* schedule based on a floor price agreement for phosphoric acid from the French Gazocean company. This agreement fell away when Gazocean went into receivership. The dispute between Triomf and Gazocean is the subject of arbitration at the moment.

Sharp plans public offers

SHARP CORPORATION, the electric appliances company, is issuing 28m. shares of capital stocks through public offerings at market price next month, to increase its capital to Y.19.41bn. from the present Y.18.01bn., reports Reuter from Osaka.

The issue prices have yet to be fixed, it said.

The company said it plans a 10 per cent. bonus stock issue to *shareholders by the end of* March next year, to return to them profit accruing from the planned public offerings.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Bearish factors induce profit-taking

BY OUR WALL STREET CORRESPONDENT

NEW YORK, May 2.

PROFIT-TAKERS held the upper hand on Wall Street to-day in very heavy trading. There was a partial recovery around mid-session, helped by a firming of the dollar on Foreign Exchanges in Europe, but stocks began sliding again in the final hour.

The Dow Jones Industrial Average almost recouped an initial reaction of 11 points, before retreating again to 840.18 for a net loss of 4.15. The NYSE All Common Index finished 18 cents down at $54.18, after touching $54.01, while losses outnumbered gains at the close by 824 to 657. Turnover further increased to 41.40m. shares from yesterday's level of 37.02m.

Brokers attributed selling in part to Press reports that, despite Federal Reserve anti-inflation action lately, news on the inflation front continues far from favourable and analysts see little hope that it will show much improvement.

Investors were disappointed by yesterday's news of a marginal decline in the U.S. Composite Index of Leading Economic Indicators for March when a small gain had been anticipated, and were also concerned by yesterday's report of a record U.S. trade deficit for the first 1978 quarter on a balance of payments basis.

Some analysts, however, added that the market performed reasonably well in view of the negative news and the extent of the recent strong rally.

K Mart fell 2⅝ to $24⅝ after announcing yesterday that first-quarter earnings will be "well below" those of the 1977 period.

Technicare, however, gained 2⅝ at $13⅞ — the company commented that there were no corporate developments to account for the activity.

Chrysler picked up ¼ to $11⅜ on declaring a new financing plan, consisting of issuing $20m. of Preferred and $40m. of Common stock, and also intentions to recommend payment of the normal 25 cents dividend.

Among aircrafts, **Boeing** rose $1½ to $44, **Lockheed** $1 to $23¾ and **McDonnell Douglas** $¾ to $31¾, but Computer stocks were lower, **IBM** losing $1½ to $266, **Burroughs** $1¼ to $69⅝, and **Data General** $1⅝ to $53.

THE AMERICAN SE Market Value Index, in contrast to the NYSE, managed a fresh advance of 0.46 to 137.70 in another very active trade. Volume 5.02m. shares (5.01m.).

OTHER MARKETS

CANADA—Shares closed firmer-inclined in active trading yesterday, as Power Corporation's block offer of shares of **Investors Group** swelled volume to 8,681,492 shares on the Toronto Exchange, the largest volume since November 24, 1964. Monday's total was 3,177,930 shares. About 7.8m. shares of Investors Group were tendered on Canadian exchanges.

The Toronto Composite Index put on 3.9 to 1,086.5, while Oils and Gas recouped 9.3 to 1,375.0, but Golds shed 3.8 to 1,215.1. In Montreal, Banks added 1.80 at 257.87.

TOKYO—Market made some progress yesterday in fairly busy trading, led by Blue Chips and Populars. The Nikkei-Dow Jones Average rose 8.17 to 5,541.10, with volume amounting to 320m. shares (280m.).

Motors and Heavy Electricals were spurred forward by active Institutional buying, **Toyota Motor** advancing Y42 to Y1,000, **Nissan Motor** Y18 to Y826, **Hitachi** Y5 to Y236, and **Mitsubishi Electric** Y6 to Y178.

Buying interest revived in Electricals, Pharmaceuticals, Photo Films and Motor Components following the overnight Wall Street rise.

Foods, extiles and some low-priced shares also improved, but some recently-selected Public Works issues declined on profit taking.

Nippon Television Network rose Y110 to Y6,650, **Kaken Chemical** Y100 to Y1,050, **Toyoda Automatic Loom Works** Y45 to Y898, **Mitsumi Electric** Y41 to Y618, **Maruzen** Y39 to Y859 and **Toyoda Machine Works** Y37 to Y903.

PARIS—Share prices tended to harden, although trading was very thin following the long holiday week-end.

Banks, Properties, Foods, Rubbers, Electricals and Hotels were particularly firm, but Chemicals and Construction issues eased against the trend.

Carrefour moved ahead 25 to Frs.1,700, **CIT Alcatel** 20 to Frs.1,120, **Borel** 3.2 to Frs.120.0, **Michelin "B"** 22 to Frs.1,448, **Poclain** 13 to Frs.195, and **Suez** 9.9 to Frs.280.0.

GERMANY—*Stocks* closed on a mixed note following quiet trading ahead of Thursday's Ascension Day market closure.

Banks were mainly higher with **Deutsche Bank** up DM2.20, while Chemicals also firmed, **Degussa** leading the way with an advance of DM4.80.

Most Electricals showed little change, although **Siemens** gained DM1.50. Stores were in dull mood, **Karstadt** declining DM1.50.

AMSTERDAM — Share prices displayed a firm bias in slow trading.

Hoogovens were noteworthy in Dutch Internationals for a rise of Fls.1.30.

AUSTRALIA — Stocks again made an irregular showing, but with an improved undertone. There were indications late in the session that overseas dealers were beginning to show interest after holding off for two days.

Second-ranking Industrials were firmer-inclined on hopes of an across-the-board reduction in interest rates after the Treasury Department announces the terms of the May loan.

Textiles and Light Engineering issues gained ground, while Breweries attracted sporadic buyer interest.

In Financials, **AGC** retreated 7 cents to $A1.63 ahead of the interim report.

Banks rallied, with **BNS Wales** adding 8 cents at $A5.46 and **National** 4 cents at $A2.58.

Among Uranium issues, **Pancontinental** advanced 70 cents more to $A11.90.

HONG KONG—Market turned generally lower on profit-taking, which was concentrated in Blue Chips.

Hong Kong Land shed 10 cents to $HK7.90, **Hutchison Whampoa** 2.5 cents to $HK4.425, **Jardine Matheson** 10 cents to $HK13.60, **Swire Pacific** 5 cents to $HK7.10 and **Wheelock** 2.5 cents to $HK2.425.

Elsewhere, **Hong Kong Telephone** rose 25 cents to $HK30.25, but **China Light** receded 20 cents to $HK21.60 and **Stelux** 7.5 cents to $HK2.40.

BRUSSELS—Mostly higher in light trading.

Arbed, which said it hopes to make an operating profit in 1978, gained 135 to B.Frs.2,295, while **Cockerill** advanced 32 to B.Frs.404.

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Brunswick	685,500	15⅜	−⅛
Norton Simon	568,500	20⅛	—
K-Mart	492,200	24⅝	−2⅝
Carrier	471,700	20¼	+⅛
Technicare	477,100	13⅞	+2⅝
Southern	346,900	16⅛	+⅛
Boeing	309,600	44	+1½
Pan Am World Air	299,200	6¼	+⅛
[illegible]	297,300	17⅛	+⅛
Sears Roebuck	288,500	24⅝	−⅜

Indices

NEW YORK—DOW JONES

	May 2	May 1	Apr. 28	Apr. 27	Apr. 26	Apr. 25	1978 High	1978 Low	Since compilation High	Since compilation Low
Industrial	840.18	844.55	837.32	826.92	836.97	833.59	844.38 (1/5)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me Bnds*	88.85	88.95	89.01	89.01	89.12	89.03	90.66 (4/1)	88.85 (2/5)	—	—
Transport	224.79	225.51	224.58	222.54	224.34	223.86	226.51 (1/5)	199.31 (9/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	106.35	106.45	106.36	105.89	106.12	106.70	110.98 (5/1)	102.84 (22/2)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol 000's	41,400	37,020	32,850	35,470	44,450	56,800	—	—	—	—

*Basis of index changed from August 24

	April 28	April 21	April 14	Year ago (approx.)
Ind. div. yield %	5.58	5.75	5.86	4.60

STANDARD AND POORS

	May 2	May 1	Apr. 28	Apr. 27	Apr. 26	Apr. 25	1978 High	1978 Low	Since Compilat'n High	Since Compilat'n Low
‡Industrials	107.43	107.92	106.94	105.71	106.80	106.55	107.92 (1/5)	95.52 (6/3)	134.64 (11/1/73)	3.52 (30/6/32)
Composite	97.25	97.67	96.83	95.86	96.82	96.64	97.67 (1/5)	86.90 (6/3)	125.85 (11/1/73)	4.40 (1/6/32)

	Apr. 19	Apr. 12	Apr. 5	Year ago (approx.)
Ind. div. yield %	5.14	5.36	5.39	4.23
Ind. P/E Ratio	8.94	8.56	8.48	10.41
Long Govt. Bond yield	8.30	8.34	8.32	7.62

N.Y.S.E. ALL COMMON

May 2	May 1	Apr. 28	Apr. 27	1978 High	1978 Low
54.18	54.36	53.90	53.40	54.36 (1/5)	48.37 (6/3)

Rises and Falls	May 2	May 1	Apr. 28
Issues traded	1,907	1,920	1,919
Rises	657	978	929
Falls	824	532	537
Unchanged	426	410	452
New Highs	138	183	103
New Lows	26	33	36

		May 2	May 1	Apr. 28	Apr. 27	1978 High	1978 Low
MONTREAL	Industrial	177.30	177.52	176.85	177.90	181.47 (17/4)	162.90 (16/2)
	Combined	185.30	185.06	184.64	185.52	187.85 (17/4)	170.52 (30/1)
TORONTO	Composite	1086.5	1082.6	1081.5	1080.7	1091.4 (17/4)	998.2 (30/1)
JOHANNESBURG	Gold	195.4	195.6	195.6	196.0	214.7 (1/2)	186.0 (20/4)
	Industrials	218.8	217.5	216.2	215.5	218.8 (2/5)	194.9 (13/3)

	May 2	Previous	1978 High	1978 Low
Australia (*)	480.53	480.98	480.53 (2/5)	441.45 (1/3)
Belgium (‡)	100.21	(c)	100.98 (25/4)	90.21 (12/1)
Denmark (**)	94.65	94.43	98.15 (9/1)	94.00 (6/2)
France (††)	66.8	(c)	68.7 (26/4)	47.5 (5/3)
Germany (‡‡)	798.9	(c)	812.7 (10/2)	765.8 (25/4)
Holland (§§)	78.9	(c)	82.1 (10/2)	76.0 (4/4)
Hong Kong (¶¶)	459.39	461.83	461.83 (1/5)	383.44 (13/1)
Italy (‖)	60.38	(c)	63.56 (6/3)	55.45 (10/1)
Japan (a)	412.25	410.18	416.11 (19/4)	364.04 (4/1)
Singapore (b)	306.19	(c)	306.19 (2/5)	262.0 [illegible]
Spain (d)	100.99	(c)	100.99 (2/5)	87.88 (17/3)
Sweden (e)	392.47	(c)	392.47 (2/5)	325.74 (3/1)
Switzerl'd (f)	281.9	(c)	296.56 (14/4)	279.0 (25/4)

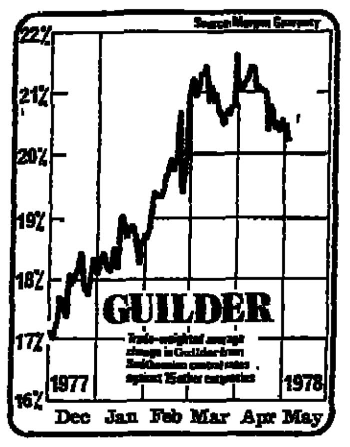
Indices and base dates (all base values 100 except NYSE All Common — 50 Standards and Poors — 10 and Toronto 300-1,000, the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (¶) Sydney All Ord. (‖) Belgian SE 31/12/63. (**) Copenhagen SE 1/1/73. (††) Paris Bourse 1961. (‡‡) Commerzbank Dec., 1953. (§§) Amsterdam Industrial 1970. (¶¶) Hang Seng Bank 31/7/64. (‖‖) Milan 2/1/73. (a) Tokyo New SE 4/1/68. (b) Straits Times 1966. (c) Closed. (d) Madrid SE 30/12/77. (e) Stockholm Industrial 1/1/58. (f) Swiss Bank Corp. (u) Unavailable.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax. ◆ DM50 denom. unless otherwise stated, yields based on net dividends plus tax. ♥ Ptas.500 denom. unless otherwise stated. ♣ Kr.100 denom. unless otherwise stated. ⊕ Frs.500 denom. and Bearer shares unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross. div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs: including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. △ Interim since increased.

£ and $ firmer

Sterling and the U.S. dollar both showed an improvement in yesterday's foreign exchange market. Trading was on a moderate scale ahead of further public holidays on Thursday throughout the continent. The pound opened at $1.8225-1.8235 and received a little support from the Bank of England, pushing up the rate to $1.8240-1.8250 around noon. However, fresh buying saw sterling up to $1.8300-1.8310 without further official intervention and although coming off the top at the close, sterling still recorded a gain of 20 points at $1.8260-1.8270. Using Bank of England figures, the pound's trade weighted index improved to 61.6 from 61.4, having stood at 61.5 at noon and 61.4 in early dealings.

The U.S. dollar finished at its strongest levels against most major currencies in the wake of higher U.S. interest rates. In terms of the West German mark, it improved to DM2.0815 from DM2.0727½ while gaining over the Swiss franc at Sw.Frs.1.9622½ against Sw.Frs.1.9355. Elsewhere the Japanese yen also lost ground in dollar terms to finish at Y226 over Y224.07½. On a Morgan Guaranty basis, the dollar's trade weighted average depreciation using noon rates narrowed to 5.04 per cent. from 5.11 per cent. on Friday. The Canadian dollar showed further gains to close at 88.70½ U.S. cents against 88.29½. Trading in the London bullion market remained subdued with gold easing $1¼ an ounce to $168¾-169¼.



GOLD MARKET

	May 2	April 28
Gold Bullion (a fine ounce)		
Close	$168¾-169¼	$170¼-17
Opening	$168¾-169¼	$169½-17
Morning fix'g	$169.15 (£92.558)	$170.00 (£92.810)
Aftern'n fix'g	$168.90 (£92.346)	$170.85 (£93.315)
Gold Coin domestically		
Krugerrand	$173½-175½ (£95-96)	$175-177 (£95¾-96¾)
N'w Sov'gns	$52½-54½ (£28¾-29¾)	$52¾-54¾ (£29-30)
Old Sov'rgns	$52½-54½ (£28¾-29¾)	$52½-54½ (£28¾-29¾)
Gold Coins (Internat'lly)		
Krugerrand	$173½-175½ (£95-96)	$175-177 (£95¾-96¾)
New Sov'rgns	$52½-54½ (£28¾-29¾)	$52¾-54¾ (£29-30)
Old Sov'rgns	$52½-54½ (£28¾-29¾)	$52¾-54¾ (£28¾-29¾)
$20 Eagles	$272½-275½	$273½-27

CURRENCY RATES

	Special Drawing Rights May 2	European Unit of Account May 2
Sterling	0.669576	0.675651
U.S. dollar	1.22298	1.23458
Canadian	1.37891	1.38839
Austria sch	18.2560	18.4275
Belgian franc	39.5206	39.8955
Danish krone	6.92490	6.99424
Deutschem'k	2.53646	2.56036
Dutch guilder	2.71074	2.73633
French franc	5.65323	5.70812
Italian lira	1061.06	1070.51
Japanese yen	276.027	278.280
Norway krone	6.61021	6.65812
Spain peseta	98.9770	99.8635
Swedish krone	5.65078	5.70710
Swiss franc	2.38811	2.40966

FOREIGN EXCHANGES

May 2	Bank Rates %	Market Rates Day's Spread	Close
New York	6½	1.8220-1.8310	1.8260-1.
Montreal	8½	2.0505-2.0625	2.0580-2.
Amsterdam	4	4.02-4.07	4.05¼-4.
Brussels	5½	58.75-59.20	58.85-59.
Copenhagen	9	10.32-10.36	10.34-10.
Frankfurt	3	3.77-3.81	3.80-3.
Lisbon	13	76.75-77.50	77.00-77.
Madrid	8	147.20-148.20	147.95-14
Milan	11½	1,580-1,587	1,584-1,5
Oslo	7	9.84-9.89	9.87-9.
Paris	9½	8.41-8.47	8.44¼-8.4
Stockholm	7	8.41-8.47	8.44½-8.4
Tokyo	3½	408-418	412½-41
Vienna	6½	27.20-27.40	27.30-27.
Zurich	1	3.54-3.59½	3.58-3.5

‡ Rates given for convertible franc. Financial franc 59.10-59.30. * Rate for April 28 should be 1.8240-1.8250.

OTHER MARKETS

		Notes	Rates
Argentina	1389-1393	Argentina	1250-1
Australia	1.6058-1.6200	Austria	26.5
Brazil	31-32	Belgium	58.5
Finland	7.7150-7.7350	Brazil	32-3
Greece	67.473-69.150	Canada	2.05
Hong Kong	8.46½-8.49½	Denmark	10.3
Iran	125-131	France	8.40
Kuwait	0.505-0.510	Germany	3.7
Luxemb'rg	58.05-58.15	Greece	66-7
Malaysia	4.3625-4.3825	Italy	1545-
N. Zealand	1.7832-1.8114	Japan	410-
Saudi Arab.	6.24-6.34	Nether'l'nd	4.01
Singapore	4.26-4.28	Norway	9.8
S. Africa	1.5745-1.5897	Portugal	73-7
U.S.		Spain	144-
Canada		Switz'land	3.50-
U.S.		U.S.	1.82-1
U.S. cents	88.68-88.72	Yugoslavia	34-

Rate given for Argentina is a free ra

FORWARD RATES

	One month	Three months
New York	0.47-0.37 c. pm	1.17-1.07 c. pm
Montreal	0.45-0.35 c. pm	1.15-1.05 c. pm
Amst'dam	2¼-1¼ c. pm	6-5 c. pm
Brussels	25-15 c. pm	70-60 c. pm
Cop'nhgn	2¼-4¼ ore dis	8¼-10¼ ore dis
Frankfurt	2¾-1¾ pf pm	7¼-6¼ pf. pm
Lisbon	60-220 c. dis	310-580 c. dis
Madrid	par-80 c. dis	40-140 c. dis
Milan	3-9 lire dis	14-21 lire dis
Oslo	3½-5½ ore dis	8¾-10¾ ore dis
Paris	1 c. pm-par	1 c. pm-par
St'ckholm	¼ ore pm-1¼ ore dis	Par-2 ore dis
Vienna	14-4 gro pm	27-17 gro pm
Zurich	3⅛-2⅛ c. pm	8¾-7¾ c. pm

Six-month forward dollar 2.32-2.22c p 12-month 4.40-4.30c pm.

EXCHANGE CROSS-RATES

May 2	Frankfurt	New York	Paris	Brussels	London	Amst'd'm	Zurich
Frankfurt	—	2.0800-15	44.86-96	6.42-43	3.795-805	94.56-66	105.85-6.10
New York	48.05-05	—	21.81-84	3.0876-0825	1.8260-8280	44.89-96	50.80-90
Paris	22.74-3.24	4.6165-6285	—	14.295-329	8.4415-4615	208.46-85	236.70-7.20
Brussels	15.56-60	32.35-60	6.97-7.00	—	58.90-59.05	14.56-60	16.54-60
London	3.80-81	1.8260-70	8.44½-46½	59.05-15	—	4.05¼-06¼	3.58-59
Amst'dam	106.845-895	2.2152-77	47.94-99	3.8595-8645	4.0495-0545	—	113.555-605
Zurich	94.233-351	1.9610-25	42.327-382	5.0581-0665	3.5824-5881	88.194-321	—

U.S. $ in Toronto U.S. $=112.59-91 Canadian cents
Canadian $ in New York=88.56-58 cents. U.S. $ in Milan 867.60-90.
Sterling in Milan 1585.55-1586.45.

EURO-CURRENCY INTEREST RATES*

May 2	Sterling	Canadian Dollar	U.S. Dollar	Dutch Guilder	Swiss franc	W. German mark
†Short term	9⅛-10⅛	7-8	7⅛-7⅜	4¼-4½	½-⅝	3⅛-3⅜
7 days notice	9-10	7-8	7⅛-7⅜	4¼-4½	⅝-¾	3⅛-3⅜
Month	10⅛-10½	7½-7⅞	7¼-7⅜	4¼-4½	⅝-¾	3¼-3⅜
Three months	10¼-10⅝	7¾-8⅛	7¾-8	4⅜-4⅝	⅞-1	3¼-3⅜
Six months	10⅜-10¾	8⅛-8¼	7⅞-8⅛	4½-4¾	1¼-1⅜	3⅜-3½
One year	10⅜-10¾	8¼-8⅝	8-8¼	4⅝-4⅞	1½-1⅝	3½-3⅝

Euro-French deposit rates: two-day 8¼-8¾ per cent.; seven-day 8¾-9 per cent.; one-month 9¼-9¾ per cent.; three-month 9 11/16-9 15/16 per cent.; six-month 9 15/16-10 3/16 per cent.; one year 10⅛-10⅜ per cent.

Long-term Eurodollar deposits: two years 8⅛-8⅜ per cent.; three years 8⅜-8⅝ per cent.; four years 8½-8¾ per cent.; five years 8⅝-8⅞ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 7.25-7.35 per cent.; three-month 7.50-7.60 per cent.; six-month 7.80-7.90 per cent.; one year 7.95-8.05 per cent.

*Rates are nominal calling rates.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

OVERSEAS SHARE INFORMATION

Inv. $ Prem. $2.60 to £—110% (110%)
Effective rate (1.8265) 47½% (47½%)

NEW YORK

Stock	May 2	May 1
Abbott Labs	59¾	60
Addressograph	18⅜	19
Aetna Life & Cas	41⅛	41¾
Air Products	28½	28¾
[illegible]	49¾	49⅞
Alcan Aluminium	28¼	28¾
Alcoa	47	47½
Alleg. Ludlum	18½	18¾
Allegheny Power	18⅛	18¼
Allied Chemical	44⅛	44⅛
Allied Stores	24¼	24⅜
Allis Chalmers	29	29¼
AMAX	38¼	38⅞
Amerada Hess	29¼	29½
Amer. Airlines	12⅛	12⅛
Amer. Brands	49¾	50⅛
Amer. Broadcast	46¼	46⅛
Amer. Can	39¼	39⅝
Amer. Cyanamid	27	27½
Amer. Elec. Pow.	23½	23⅝
Amer. Express	37⅛	37⅛
Amer. Home Prod.	28⅝	29
Amer. Medical	24⅝	24⅛
Amer. Motors	4⅛	4½
Amer. Nat. Res.	42⅝	42½
Amer. Standard	42⅛	40⅞
Amer. Stores	35⅛	33½
Amer. Tel. & Tel.	63⅛	63⅜
Ametek	34⅝	34⅛
AMF	17	16⅞
AMP	30	30¼
Ampex	14¾	14⅜
Anchor Hocking	28¼	28¼
Anheuser Busch	23¼	23
Armco Steel	29¼	29¼
A.S.A.	20⅞	20⅛
Asamera Oil	11	10⅞
Asarco	16⅛	16¼
Ashland Oil	30⅞	30⅞
Atl. Richfield	50⅛	51⅜
Auto Data Pro.	29⅛	29½
AVC	8⅞	9
Avco	24¼	22⅞
Avon Products	54	53½
Balt. Gas Elect.	25⅛	25⅛
Bank America	23⅜	24⅜
Bankers Tr. N.Y.	39⅛	38
Barber Oil	28	27½
Baxter Travenol	41⅜	41⅜
Beatrice Food	24¼	24⅛
Becton Dick.	39	38
Bell & Howell	19	19⅛
Bendix	37⅝	37½
Benguet Cons 'B'	2⅛	2⅜
Bethlehem Steel	23⅝	23⅛
Black & Decker	18¼	19⅛
Boeing	44	42½
Boise Cascade	28½	28¼
Borden	28⅛	29
Borg Warner	30¼	29⅛
Braniff Int.	13⅛	12⅞
Brascan 'A'	15⅛	14⅞
Bristol Myers	32⅞	33⅛
Brit. Pet. ADR	14⅜	14⅝
Brockway Glass	53	52¼
Brunswick	15⅜	14⅞
Bucyrus Erie	19¾	19½
Budd	33¼	33¼
Bulova Watch	6⅝	6¼
Burlington Ntn.	39	39½
Burroughs	69⅝	70⅞
Campbell Soup	33½	33¼
Canadian Pacific	16	16
Canal Randolph	11⅛	11⅜
Carnation	28¼	28
Carrier & General	12¼	12⅛
Carter Hawley	18	18⅛
Caterpillar Tract.	54⅛	55⅛
CBS	53⅛	53⅛
Celanese Corpn.	39¾	40⅛
Central & S.W.	15⅜	15⅜
Certain-teed	23⅛	24⅜
Cessna Aircraft	34⅞	34⅞
Chase Manhattan	31⅛	31⅛
Chemical Bk. NY	44⅞	45⅛
Chesebrgh Pond.	24½	24½
Chessie System	32¼	33
Chicago Bridge	52	51⅛
Chromalloy	20¼	19¾
Chrysler	11⅜	11¼
Cinerama	2½	2½
Cine. Milacron	26⅛	26⅛
Citicorp	23⅛	23⅝
Cities Service	49⅛	49⅜
City Investing	15⅛	15⅜
Coca Cola	41⅛	42⅛
Colgate Palm.	20½	20½
Collins Aikman	11	11⅛
Columbia Gas	28⅞	28½
Columbia Pict.	18⅝	19¼
Com. Insco. of Am.	19⅛	19
Combustion Eng.	41½	41⅝
Combustion Eq.	15¼	15⅛
Comw'th Edison	27⅛	27¼
Comw'th Oil Ref.	2½	2½
Comm. Satellite	40¼	40¼
Computer Science	11	11⅜
Conn. Life Ins.	34½	34⅝
Conrac	23	21⅞
Con. Edison N.Y.	22⅞	23
Consol. Foods	24¼	24¼
Consol. Nat. Gas	39⅛	39⅛
Consumer Power	22¼	22¼
Continental Grp.	30⅞	30½
Continental Oil	27⅞	28⅝
Corning Glass	52¾	53½
CPC Int'n'tional	47⅛	47⅜
Crane	29½	29⅛
Crocker Nat.	27⅝	27⅞
Crown Zellerbach	33⅝	33½
Cummins Engine	40	39¾
Curtiss Wright	19⅛	19⅛
Dana	25⅛	25⅞
Dart Industries	42⅛	42⅛
Deere	28½	28⅝
Del Monte	25⅝	25½
Deltona	9⅛	9⅛
Dentsply Inter.	17⅞	18
Detroit Edison	15⅞	15⅞
Diamond Shamrk	26¼	26⅝
Dictaphone	15¼	15⅜
Digital Equip.	45	45⅜
Disney (Walt)	37⅛	39
Dover Corpn.	47	47¼
Dow Chemical	25½	26⅛
Dravo	29¼	29¾
Dresser	41⅝	42
Du Pont	115⅛	116⅜
Dymo Industries	17⅛	16⅞
Eagle Picher	20⅛	20¼
East Airlines	9⅛	9⅛
Eastman Kodak	53⅜	53⅛
Eaton	38⅞	39⅛
E.G. & G.	25	24⅛
El Paso Nat. Gas	17½	17
Eltra	31⅛	31⅛
Emerson Electric	34½	34⅝
Emery Air Freight	45¼	44⅞
Emhart	35⅛	36⅛
E.M.I.	2⅞	2⅞
Engelhard	26⅝	26⅝
Esmark	27¼	27⅜
Ethyl	19⅛	19⅛
Exxon	47⅛	47¾
Fairchild Camera	32	32⅜
Fed. Dept. Stores	39⅜	39
Firestone Tire	14⅛	14⅛
Fst. Nat. Boston	28½	28
Flexi Van	21½	22
Flintkote	25⅝	25⅝
Florida Power	29⅝	29⅝
Fluor	36¼	36½
F.M.C.	23½	23½
Ford Motor	50¼	51½
Foremost Mck.	20⅛	20
Foxboro	33⅛	33⅛
Franklin Mint	8⅞	9
Freeport Mineral	21⅝	21
Fruehauf	27⅛	28
Fuqua Inds.	11⅛	11
G.A.F.	12⅛	12⅜
Gannett	42½	41⅛
Gen. Amer. Inv.	10	10
G.A.T.X.	28¼	27¾
Gen. Cable	16⅞	16½
Gen. Dynamics	52	51⅛
Gen. Electric	52⅜	53
Gen. Foods	29⅛	29⅛
General Mills	29	28⅞
General Motors	65⅛	65⅛
Gen. Pub. Util.	19⅛	19⅛
Gen. Signal	28⅛	28
Gen. Tel. Elect.	30	30½
Gen. Tyre	25⅜	26
Genesco	7⅛	7¼
Georgia Pacific	28	28¼
Getty Oil	167	165
Gillette	27½	27⅝
Goodrich B.F.	22½	22⅞
Goodyear Tire	17¾	17⅛
Gould	27⅛	27⅛
Grace W.R.	27⅝	27½
Gt. Atlan Pac Tea	8⅛	8⅛
Grt. North Iron	23¼	23¼
Greyhound	13⅜	13⅛
Gulf & Western	15⅛	15⅛
Gulf Oil	24	24
Halliburton	59	59¾
Hanna Mining	33¾	34
Harnischfeger	16¼	16¼
Harris Corpn.	50¾	52⅜
Heinz H.J.	39⅛	39
Heublein	27⅝	27½
Hewlett Packard	77⅝	78⅛
Holiday Inns	18⅜	18¼
Homestake	32⅛	32⅜
Honeywell	51⅛	53
Hoover	12¾	12¾
Hosp. Corp. Amer.	29¾	30⅜
Houston Nat. Gas	26½	26⅝
Hunt (Ph.A.) Chm	11⅛	11
Hutton (E.F.)	15⅝	15¾
I.C. Industries	23⅜	23⅝
INA	40⅜	40⅛
Ingersoll Rand	56⅝	57½
Inland Steel	39¾	40½
Insilco	14⅛	14⅜
Intercont Energy	8⅛	8¼
IBM	266	267.5
Intl. Flavours	23	23
Intl. Harvester	30	30⅞
Intl. Min & Chem	42⅜	42⅜
Intl. Multifoods	24⅛	25⅛
Inco	16⅞	16
Intl. Paper	42⅞	43⅛
IPC	32¼	32⅜
Int. Rectifier	12	11⅞
Int. Tel. & Tel.	30	31⅜
Invest	1½	1⅛
Johns Manville	31⅞	31⅛
Johnson Johnson	75¾	76¾
Johnson Control	31⅝	31¾
Joy Manufactur'g	35⅞	35⅜
K. Mart Corp.	24⅝	27
Kaiser Aluminium	34¼	34¼
Kaiser Industries	1⅞	1⅞
Kaiser Steel	22⅝	23⅜
Kay	10	10
Kennecott	23⅝	23⅝
Kerr McGee	45⅛	45¾
Kidde Walter	31½	31½
Kimberly Clark	48½	48¾
Koppers	23⅝	23¾
Kraft	47⅛	48¼
Kroger Co.	32	31¾
Levi Strauss	34⅛	33
Libby Ow. Ford	28	28¾
Liggett Group	33½	34⅛
Lilly (Eli)	45⅞	46¼
Litton Indust.	19¼	19¼
Lockheed Aircr'ft	23¾	22¾
Lone Star Inds.	19⅝	20
Long Island Ltd.	19	18¾
Louisiana Land	22¼	23⅛
Lubrizol	40¼	40½
Lucky Stores	14	13⅞
Lyke Y'ngst'wn	6½	6¾
MacMillan	11⅝	11½
Macy R.H.	41¾	41⅝
Mfrs. Hanover	36⅛	35⅝
Mapco	35⅛	35¾
Marathon Oil	46⅛	47
Marine Midland	15⅛	15⅛
Marshall Field	22	22⅜
May Dept. Stores	25½	25¾
MCA	47	47½
McDermott	25¾	25½
McDonnell Doug.	31¾	31
McGraw Hill	21½	21⅜
Memorex	41½	43
Merck	57⅛	56½
Merrill Lynch	18⅛	19⅛
Mesa Petroleum	36⅛	36⅝
MGM	36	36
Minn Mining & Mfg	51⅜	51¾
Mobil Corpn.	66⅝	67¼
Monsanto	55¾	53⅜
Morgan J.P.	47½	48⅛
Motorola	45⅜	45
Murphy Oil	38⅛	38⅛
Nabisco	51⅛	51⅜
Nalco Chemical	29⅛	30⅛
National Can	17⅛	17
Nat. Distillers	22⅞	23
Nat. Service Ind.	15¼	15½
National Steel	32½	32⅜
Natomas	38⅛	37⅛
NCR	50⅜	51⅛
Neptune Imp.	20¼	20
New England El.	22⅝	22⅜
New England Tel	35	35½
Niagara Mohawk	14½	14⅝
Niagara Share	10⅝	10⅛
N. L. Industries	17½	17¾
Norfolk & Western	27½	27⅝
North Nat. Gas	39⅝	40
Nthn. States Pwr	24¼	24⅛
Nthwest Airlines	26⅞	26⅞
Nthwest Bancorp	25⅝	25½
Norton Simon	20⅛	20⅛
Occidental Petrol	24⅜	24½
Ogilvy Mather	49¼	49
Ohio Edison	18⅛	17⅞
Olin	16⅝	16⅛
Overseas Ship	25⅛	25¼
Owens Corning	65¾	65⅜
Owens Illinois	20¾	21
Pacific Gas	23⅝	23⅞
Pacific Lighting	18⅜	18¾
Pac. Pwr. & Lt.	20⅜	20⅜
PanAm World Air	6⅜	6⅛
Parker Hannifin	25½	25½
Peabody Int.	24⅝	24⅞
Pen. Pw. & L.	21⅝	21½
Penny J.C.	41⅛	42½
Pennzoil	28¾	28½
Peoples Drug	7⅛	7⅛
Peoples Gas	35⅛	36
Pepsico	29¾	29⅝
Perkin Elmer	19	19½
Pet	35⅝	34¾
Pfizer	31½	30⅝
Phelps Dodge	22½	23
Philadelphia Ele.	18⅜	18¼
Philip Morris	65⅝	65½
Phillips Petrol'm.	33⅛	34⅜
Pillsbury	39½	39⅝
Pitney Bowes	22⅞	23¼
Pittston	23⅞	24
Plessey Ltd ADR	17¼	17½
Polaroid	32	32⅝
Potomac Elec.	15⅛	15⅛
PPG Industries	27¼	27¾
Procter Gamble	84⅞	85¼
Pub. Serve Elect.	23⅝	23⅜
Pullman	31	31⅜
Purex	17	17
Quaker Oats	22¾	22⅛
Rapid American	9¼	9⅜
Revlon	46⅞	47½
Reynolds Metals	31½	31½
Reynolds R.J.	59⅛	59
Rich'son Merrell	22⅜	22⅛
Rockwell Inter.	33	32¾
Rohm & Haas	34¼	35⅝
Royal Dutch	57⅝	58⅜
RTE	16⅞	16¾
Russ Togs	12⅛	12⅛
Ryder System	19¾	19¾
Safeway Stores	41	40¾
St. Joe Minerals	28	28⅛
St. Regis Paper	29	28⅝
Santa Fe Inds.	39	39
Saul Invest	6⅞	6⅞
Saxon Inds.	6¼	6
Schlitz Brewing	13⅛	13
Schlumberger	71⅜	71⅞
SCM	19⅝	19¼
Scott Paper	14⅝	14¾
Scovil Mrg.	21¾	21⅞
Scudd' Duo Vest	8	8¼
Sea Containers	31	31⅛
Seagram	23¾	23⅞
Searle (G.D.)	14½	14⅝
Sears Roebuck	24⅝	25
SEDCO	33⅞	34⅞
Shell Oil	33⅞	34⅛
Shell Transport	40⅜	40
Signal	38⅞	39¾
Signode Corp.	35⅝	36
Simplicity Pat.	12¾	12½
Singer	22¾	23
Smith Kline	64	64¼
Solitron	[illegible]	3⅝
Southdown	30¼	28⅞
Southern Cal. Ed.	25¼	25⅛
Southern Co.	16⅝	16¼
Sthn. Nat. Res.	34	33⅞
Southern Pacific	31¾	32
Southern Railway	48¾	49
Southland	25	25¼
S'w't Bankshares	26¾	26¾
Sperry Hutch.	18¼	18⅛
Sperry Rand	39⅝	40¼
Squibb	25⅛	25⅝
Standard Brand	24⅞	24⅛
Std. Oil California	43⅝	44
Std. Oil Indiana	52¼	52⅛
Std. Oil Ohio	69¾	70½
Stauff Chemical	41¼	40⅞
Sterling Drug	15⅞	15¾
Studebaker	35	34⅝
Sun Co.	41⅝	41¾
Sundstrand	42⅜	41⅞
Syntex	26½	26¾
Technicolor	10	10⅝
Tektronix	41	41
Teledyne	90¾	99⅞
Telex	5	5⅛
Tenneco	32⅛	32⅛
Tesoro Petroleum	10	9⅝
Texaco	26	25⅞
Texasgulf	18¾	18¾
Texas Instm.	74½	79¼
Texas Oil & Gas	32	32⅞
Texas Utilities	20	19⅞
Times Inc.	46⅜	47⅛
Times Mirror	28¼	28½
Timken	50½	50¼
Trane	33⅞	34½
Transamerica	16	16¼
Transco	19⅜	19½
Trans Union	35¼	35⅛
Transway Intn'l	24⅜	24⅜
Trans World Air	19¼	19¼
Travelers	34	34⅜
Tri Continental	19⅞	20⅛
T.R.W.	38⅝	39¼
20th Century Fox	31⅞	29⅞
U.A.L.	26½	26½
UARCO	23⅞	24
UGI	21	21½
UOP	8⅜	[illegible]
Unilever	37	38⅛
Unilever NV	53	53⅛
Union Bancorp	14⅝	15
Union Carbide	40⅜	41⅝
Union Commerce	8⅛	8¼
Union Oil Calif.	49⅞	49⅝
Union Pacific	49⅝	50¼
Uniroyal	7¾	7¾
United Brands	8⅛	8
US Bancorp	32⅝	32¼
US Gypsum	24⅞	24⅛
US Shoe	27⅛	27
US Steel	28	28⅝
U. Technologies	40⅞	41
UV Industries	21¼	21¼
Virginia Elect.	13⅞	13⅞
Walgreen	21	20⅞
Warner Commun.	38¼	38½
Warner-Lambert	28⅝	28⅝
Waste-Man'ment	23¾	24⅛
Wells-Fargo	29⅛	29½
Western Bancorp	37	36½
Western N. Amer.	25¾	25⅝
Western Union	16⅛	16¼
Westinghse Elec.	20½	20⅜
Westvaco	25¾	25⅝
Weyerhaeuser	25½	25⅜
Whirlpool	23⅞	24
Woolworth	20½	20⅞
Wyly	4⅛	4
Xerox	49⅝	50¼
Zapata	16¼	15¾
Zenith Radio	15¼	15
U.S. Treas. 4% 1980	†94⅝	†94⅝
U.S. Treas 4¼% 75/85	†81⅛	†81¼
U.S. 90 Day bills	6.44%	6.30%

CANADA

Stock	May 2	May 1
Abitibi Paper	12⅛	12⅝
Agnico Eagle	4.50	4.50
Alcan Aluminium	31¾	32⅛
Algoma Steel	19	19⅛
Asbestos	†38¼	†38½
Bank of Montreal	19¾	19½
Bank Nova Scotia	20¼	20¼
Basic Resources	6	†5½
Bell Telephone	55⅞	55⅝
Bow Valley Ind.	25⅝	25⅞
BP Canada	14¾	14¾
Brascan	17⅛	16⅞
Brinco	*4.00	—
Calgary Power	36½	36¾
Camflo Mines	12	11⅞
Canada Cement	10	10
Canada NW Lan.	11⅝	12
Can Imp Bk Com	28	27½
Canada Indust.	†19¼	†19¼
Can Pacific	18⅛	18¼
Can. Pacific Inv.	19¼	19⅛
Can. Super Oil	55½	55¼
Carling O'Keefe	4.00	4.05
Cassiar Asbestos	8½	8⅞
Chieftain	20	20¼
Cominco	27⅝	27¼
Cons Bathurst	27⅞	27⅞
Consumer Gas	17⅜	17¼
Coseka Resources	5⅞	5¾
Costain Rich	12½	12⅝
Daon Devel	8⅜	8¾
Denison Mines	69½	69¼
Dome Mines	74½	74½
Dome Petroleum	64⅛	63¼
Dominion Bridge	†24½	24¾
Domtar	17⅞	17⅝
Dupont	13⅜	13¼
Falcon'ge Nickel	20¾	20¼
Ford Motor Can.	75⅞	†75½
Genstar	26¼	26⅝
Giant Yel'wknife	11	10⅞
Gulf Oil Canada	27½	27½
Hawker Sid. Can.	7	[illegible]
Hollinger	32¾	32½
Home Oil 'A'	39¾	39½
Hudson Bay Mng	[illegible]	[illegible]
Hudson Bay	18¼	18¼
Hudson Oil & Gas	41½	40⅜
I.A.C.	17⅞	18
Imasco	33¼	32⅝
Imperial Oil	19	18⅞
Inco	18⅜	18
Indal Canada	11⅛	11⅜
Inland Nat. Gas	10⅝	10⅝
Int'pv Pipe Line	15	14¾
Kaiser Resources	14⅝	14¾
Laurt Fin Corp	8⅛	8
Loblaw Com. 'B'	4.20	4.15
Mc'mill'n Bloed'l	19⅝	19⅝
Massey Ferguson	12	12
McIntyre	†22½	†22½
Moore Corpn	32¾	32⅛
Noranda Mines	25¼	24⅞
Norcen Energy	16	15⅜
Nthn. Telecom	30¾	30
Numac Oil & Gas	26⅝	26⅝
Oakwood Pet'm	4.00	4.15
Pacific Copper M.	2.10	1.81
Pacific Petroleum	37	36
Pan. Can. Pet'm	33½	33½
Patino	[illegible]	[illegible]
Peoples Dept. S.	3.85	3.90
Place Can & Oil	0.89	0.86
Placer Developm't	22⅜	22⅞
Power Corporat'n	14⅞	14⅞
Price	13⅜	13¼
Quebec Sturgeon	1.10	1.10
Ranger Oil	37¼	36¾
Reed Stan.	10	10
Rio Algom	30	30⅛
Royal Bk. of Can.	29½	29
Royal Trust	18⅛	18⅛
Sceptre R'source	7⅞	7⅛
Seagrams	26⅝	26½
Shell Canada	14½	14¼
Sherritt G. Mines	4.80	4.75
Siebens O. G.	23½	24
Simpsons	5⅛	5¼
Steel of Canada	25	24⅞
Steep Rock Iron	2.42	2.45
Texaco Canada	39⅝	39¾
Toronto Dom. Bk.	16⅝	16¼
TransCanPipe Ln	15¾	14¾
Trans Mount Ppe	9⅜	9
Trizec	11	11
Union Gas	10⅜	10½
Utd. Siscoe Mines	7	7
Walker Hiram	33	32¾
West Coast Trns.	24⅛	23¾
Weston (Geo.)	16⅝	16⅛

† Bid. ‡ Asked. § Traded. ¶ New stock.

GERMANY ◆

May 2	Price Dm.	+ or −	Div. %	Yld. %
AEG	86	−0.4	—	—
Allianz Versich.	463	+11	18	2.0
BMW	228.5	......	18	3.9
BASF	134.3	+0.2	18.76	7.0
Bayer	136.5	+0.7	16	—
Bayer. Hypo	277.0	−0.6	18	3.2
Bayer. Vereinsbk.	289xd	......	18	3.1
CibaInt. Ned. w'rts	165	......	—	—
Commerzbank	224.5	+1.0	17	7.6
Cont Gummi	72.8	−0.2	—	—
Daimler Benz	295.0	+0.5	28.12	4.8
Degussa	249.8xd	+4.8	17	3.4
Demag	154.5	−0.5	14	4.5
Deutsche Bank	294.0	+2.2	18	3.1
Dresdner Bank	242.4xd	+1.4	28.12	5.8
Dyckerhoff Zemt.	143.8	+3.3	4	1.4
Gutehoffnung	190.3	+0.3	12	3.2
Hapag Lloyd	112	−3	12	5.4
Harpener	273.5	−2.5	9	3.3
Hoechst	132.5	+0.8	16	—
Hoesch	45.7	+0.1	4	4.4
Horten	120	−1	10	4.2
Kali und Salz	134.5	−0.5	9	3.4
Karstadt	295.0	−1.5	20	3.4
Kaufhof	200	−4	12	2.9
Kloeckner DM100	89.2	−0.3	—	—
KHD	172.3	−0.2	12	3.5
Krupp	94	......	—	—
Linde	234.0	−1.5	16	3.4
Lowenbrau 100	1,500xd	......	25	8.3
Lufthansa	103.5	−2.5	7	3.3
MAN	176.0	+0.5	12	3.4
Mannesmann	162.8	+0.6	14	4.3
Metallges	206.0	−0.5	10	2.4
Muenchener Ruck.	550	......	18	1.6
Neckermann	113	−1	—	—
Preussag DM 100	110.0	+1.2	—	—
RheinWest. Elect.	180.5	......	25	6.9
Schering	236.5	+1.0	20	4.2
Siemens	273.0	+1.5	16	2.9
Sud Zucker	245	−2	17	3.4
Thyssen A.G.	117.8xd	+0.4	11	4.7
Varta	174.5	......	14	4.0
VEBA	104.5	......	12	5.7
Vereins& West Bk	286xd	......	18	3.3
Volkswagen	202.6	−0.6	25	6.2

AMSTERDAM

May 2	Price Fls.	+ or −	Div. %	Yld. %
Ahold (Fl.20)	99xc	+2.5	21	3.6
Akzo (Fl.20)	26.4	+0.6	—	—
Algem Bk (Fl.100)	341	+2.5	A23.5	6.9
AMEV (Fl.10)	84	+0.2	A44	13.1
Amrobank (Fl.20)	74.9xd	+0.3	23.5	6.0
Bijenkorf	87.5	+3.3	23	5.3
Boka West'm (Fl.2)	119.5	−1.5	80	6.7
Burhrm Tetterode	68	+0.2	26	7.8
Elsevier (Fl.20)	280.5	−1.5	27.5	2.0
Ennia N.V. Bearer	138.5	......	37.5	5.4
EuroComTst (Fl.10)	65xd	......	94.8	5.4
Gist Brocades (Fl0)	32.2	−0.6	22	6.9
Heineken (Fl.25)	96.8	−0.9	14	3.6
Hoogovens (Fl.20)	30.3	+1.3	—	—
Hunter D. (Fl.100)	23.6	−0.4	12	5.1
K.L.M. (Fl.100)	143.4	+4.8	—	—
Int. Muller (20)	44.5	+0.6	18	8.1
Naarden (Fl.10)	34.1xd	......	12.5	3.7
Nat. Ned Ins. (Fl10)	106.4	+0.6	48	4.5
NedCred Bk (Fl.20)	53.1xd	......	21	7.8
Ned Mid Bk (Fl.50)	191.5	......	22	5.7
Oce (Fl. 20)	150.5	+3.9	36	4.8
Van Ommeren	111.0	+1.5	18	7.2
Pakhoed (Fl. 20)	37.1	+0.6	—	—
Philips (Fl. 10)	25.3	......	17	6.7
RjnSchVer (Fl.100)	75.0	−0.6	—	—
Robeco (Fl. 50)	165.7	+1.5	A256	7.8
Rolinco (Fl. 50)	124.5	+1.9	—	—
Rorento (Fl. 50)	132.0	+0.3	14	5.3
Royal Dutch (Fl.20)	128.4	+0.2	53.75	8.4
Slavenburg	242.0xd	−1.2	19	7.9
Stevin Grp (Fl.20)	130	......	27½	4.2
Tokyo Pac. Hlds. $	108.0	+0.5	30	0.7
Unilever (Fl. 20)	116.6	+0.1	42.8	7.4
Viking Res. Int ($1)	38.7	−0.1	20	1.3
Westlan'du. Bank	381.0xd	−0.5	33	4.2

COPENHAGEN ♣

May 2	Price Kroner	+ or −	Div. %	Yld. %
Andelsbanken	136.25	−0.25	11	8.1
Burm'ser W.	420	......	15	3.6
Danske Bank	122.75	−0.25	13	9.8
East Asiatic Co.	159.25xr	+0.25	12	7.5
Finansbanken	150.0	−0.5	15	10.0
For. Bryggerier	367.00	+0.75	12	3.3
For. Papir	81.5	......	8	9.8
Handelsbank	124.25	−0.25	12	8.9
G.N'th'n H. (Kr80)	260.0	+0.5	12	4.2
Nord Kabel	240xd	......	12	6.0
Oliefabrik	74.75	−0.75	12	—
Privatbank	130.75	+0.75	—	8.5
Provinsbank	136.75	......	11	8.1
Soph. Berendsen	374	......	11	3.2
Superfos	187.5	+0.5	12	6.3

VIENNA

May 2	Price %	+ or −	Div. %	Yld. %
Creditanstalt	342	......	10	2.9
Perlmooser	260	......	9	3.4
Selecta	585	......	38	6.1

TOKYO ¶

May 2	*Prices Yen	+ or −	Div. %	Yld. %
Asahi Glass	340	......	14	2.1
Canon	500	+5	12	1.2
Casio	600	+15	25	2.1
Chinon	363	......	20	2.8
Dai Nippon Print	555	......	18	1.6
Fuji Photo	585	+5	15	1.3
Hitachi	236	+5	12	2.5
Honda Motors	602	+15	18	1.5
House Food	1,170	......	35	1.5
C. Itoh	230	+5	12	2.6
Ito-Yokado	1,300	−10	30	1.2
Jaccs	615	+7	13	1.1
J.A.L.	2,640	−10	—	—
Kansai Elect. Pw.	1,100	......	10	4.5
Komatsu	350	+8	18	2.6
Kubota	285	......	15	2.6
Kyoto-Ceramic	3,630	−60	35	0.5
Matsushita Ind.	769	+18	20	1.3
Mitsubishi Bank	278	......	10	1.8
Mitsubishi Heavy	135	+2	12	4.4
Mitsubishi Corp.	437	......	13	1.5
Mitsui & Co.	330	+5	14	2.1
Mitsukoshi	560	......	20	1.8
Nippon Denso	1,430	+50	15	0.5
Nippon Shinpan	665	+5	12	0.9
Nissan Motors	826	+18	16	1.0
Pioneer	1,830	−10	48	1.3
Sanyo Electric	256	+1	12	2.3
Sekisui Prefab	920	+5	30	1.6
Shiseido	1,090	+20	20	0.9
Sony	1,870	−20	40	1.1
Taisho Marine	241	......	11	2.3
Takeda Chemical	365	−4	15	2.1
TDK	2,050	+10	30	0.7
Teijin	119	......	10	4.2
Tokio Marine	500	......	11	1.1
Tokio Elect Pow'r	1,050	−20	8	3.8
Tokyo Sanyo	315	......	12	1.9
Tokyoshibaura	144	+2	10	3.5
Toray	141	−3	10	3.5
Toyota Motor	1,000	+42	20	1.0

Source Nikko Securities, Tokyo

BRUSSELS/LUXEMBOURG

May 2	Price Frs.	+ or −	Div. Frs. Net	Yld. %
Arbed	2,295	+135	—	—
Bq. Brx. Lamb.	1,550	−10	60	3.9
Bekaert "B"	1,800	+20	116	6.4
C.B.R. Cement	1,394	−4	100	7.2
Cockerill	404	+32	—	—
EBES	2,510	+20	177	7.1
Electrobel	6,740	+150	430	6.4
Fabrique Nat.	2,485	−15	170	6.8
G.B. Inno-Bm.	2,210	+20	150	6.8
Gevaert	1,412	+4	85	6.0
Hoboken	2,470	+20	170	6.9
Intercom	2,040	−10	142	7.0
Kredietbank	6,680	+30	265	3.7
La Royale Belge	6,010	+60	306	5.1
Pan Holding	4,420	+50	52.25	3.3
Petrofina	4,210	−25	174	4.1
Soc Gen Banque	2,970	+20	204	6.9
Soc Gen Belgique	2,000	+35	140	7.0
Sofina	3,350	+60	215	6.4
Solvay	2,530	+20	A200	7.9
Traction Elect.	2,740	+5	170	6.2
UCB	926	−4	—	—
Un Min. (1/10)	790	−10	50	6.3
Vieille Montagne	1,675	......	—	—

SWITZERLAND ⊕

May 2	Price Frs.	+ or −	Div. %	Yld. %
Aluminium	1,110xd	−25	6	2.7
BBC 'A'	1,555	−15	10	3.2
Ciba Geigy (Fr.100)	1,115	−15	22	2.0
Do. Pt. Cert.	820	−10	22	2.7
Do. Reg.	617	−6	22	3.6
Credit Suisse	2,150	+5	16	3.7
Elektrowatt	1,580	−15	10	3.2
Fisch (George)	650	−10	5	3.9
Hoffman PtCerts.	76,000	−500	550	0.7
Do. (Small)	7,575	−175	55	0.7
Interfood B.	3,775	−25	20	2.6
Jelmoli (Fr. 100)	1,445xd	......	21	1.5
Nestle (Fr. 100)	3,090	+25	86.3	2.8
Do. Reg.	2,245	+5	85.7	3.8
OerlikonB. (F.250)	2,085	+10	15	18.0
Pirelli SIP (F.100)	262	......	15	5.7
Sandoz (Fr. 250)	3,450	......	26	1.9
Do. Parts Certs	455	−5	26	2.8
SchindlerCtsF.100	285	−5	12	4.2
Sulzer Cts (F.100)	338	+8	14	4.1
Swissair (Fr. 350)	784xd	−16	10	4.5
Swiss Bank (F.100)	345xd	−1	10	2.9
Swiss (Re. F.250)	4,500	+75	40	2.2
Union Bank	2,925xd	−20	20	3.4
Zurich Ins.	10,600	−100	44	2.1

MILAN

May 2	Price Lire	+ or −	Div. Lire	Yld. %
ANIC	93.5	+1	—	—
Bastogi	413	+6	—	—
Fiat	1,904	+9	150	7.9
Do. Priv.	1,630	+1	150	9.3
Finsider	75.25	−0.75	—	—
Italcementi	10,421	+71	200	1.9
Italsider	139	+1.5	—	—
Mediobanca	32,600	+190	1,200	3.7
Montedison	130	+1.25	—	—
Olivetti Priv.	865	+15	—	—
Pirelli & Co.	2,032	+10	130	6.4

AUSTRALIA

May 2	Aust. $	+ or −
ACMIL (25 cent)	†0.70	......
Acrow Australia	†0.80	......
Allied Mnt-Trdg. Indus $1	†2.32	+0.02
Ampol Exploration	†1.42	+0.01
Ampol Petroleum	†0.82	+0.01
Assoc. Minerals	†1.05	......
Assoc. Pulp Paper $1	†1.17	......
Assoc. Con. Industries	†1.76	+0.02
Aust. Foundation Invest.	†0.90	−0.02
A.N.I.	†1.42	+0.02
Audimco	†0.43	−0.01
Aust. Oil & Gas	†0.35	......
Blue Metal Ind.	†1.06	−0.01
Bougainville Copper	†1.18	......
Broken Hill Proprietary	†6.60	+0.12
BH South	†0.83	−0.01
Carlton United Brewery	†1.85	−0.05
C. J. Coles	†1.97	−0.03
CSR ($1)	†2.93	−0.05
Cons. Goldfields Aust.	†2.45	......
Container ($1)	†2.25	−0.05
Conzinc Riotinto	†2.33	+0.08
Costain Australia	†1.30	+0.05
Dunlop Rubber ($1)	†1.38	−0.03
ESCOR	†1.03	−0.06
Elder Smith	†2.02	−0.05
E.Z. Industries	†2.10	−0.02
Gen. Property Trust	†1.52	+0.01
Hamersley	†2.10	+0.02
Hooker	†0.73	−0.02
I.C.I. Australia	†2.15	+0.01
Inter-Copper	†0.26	......
Jennings Industries	†1.24	−0.01
Jones (David)	†1.14	+0.01
Lennard Oil	‡0.25	......
Metals Exploration	†0.15	......
MIM Holdings	†1.98	+0.05
Myer Emporium	†1.75	......
News	†2.30	+0.02
Nicholas International	†0.66	+0.01
North Broken H'dings (50c)	†1.17	−0.12
Oakbridge	†1.68	......
Oil Search	†0.10	+0.01
Otter Exploration	†0.17	−0.01
Pioneer Concrete	†1.53	−0.02
Reckitt & Colman	†2.84	−0.04
H. C. Sleigh	†0.67	......
Southland Mining	†0.21	......
Spargos Exploration	†0.17	......
Tooth ($1)	†1.80	+0.02
Waltons	†0.89	......
Western Mining (50 cents)	†1.30	......
Woolworths	†1.65	......

PARIS

May 2	Price Frs.	+ or −	Div. Frs.	Yld. %
Rente 4½	727.2	+4.2	4½	0.6
Afrique Occid't'le	412	−4	21.15	5.2
Air Liquide	299	+3	16.5	5.5
Aquitaine	438	+3	26.25	6.0
BIC	485.1	+1.0	12.75	2.6
Bouygues	645	+1	42	6.5
B.S.N. Gervais	476.0	+0.9	40.5	8.4
Carrefour	1,700	+25	75	4.4
C.G.E.	360.2	−2.8	31.5	8.8
C.I.T. Alcatel	1,120	+20	58.2	5.2
Cie Bancaire	327	−2	12	3.7
Club Mediter.	415.5	+2.5	11.25	2.7
Credit Com. Fr'ce	128.0	+0.5	12	9.4
Creusot Loire	82.1	+0.1	—	—
Dumez	808	−2	7.5	0.9
Fr. Petroles	127.5	+1.3	14.10	11.1
Gen. Occidentale	188.2	−0.3	8.25	4.3
Imetal	62.8	+0.8	5.7	9.1
Jacques Borel	120.0	+3.2	—	—
Lafarge	184	+1	16.77	9.1
L'Oreal	714	+13	15.85	2.2
Legrand	1,735	+25	36.75	2.1
Maisons Phenix	1,088	+28	38.8	3.3
Michelin "B"	1,448	+22	32.55	2.2
Moet Hennessy	500	−1	12.6	2.5
Moulinex	166.5	+0.5	3	1.8
Paribas	163.4	+3.4	19.86	12.1
Pechiney	87.6	+0.1	7.5	8.5
Pernod-Ricard	274.0	+0.2	7.5	2.7
Peugeot-Citroen	360.0	−2.6	15	4.2
Poclain	195	+13	—	—
Radio Technique	440	−1	27	6.1
Redoute	585	+9	27	4.6
Rhone Poulenc	88.6	+0.1	9	10.1
St. Gobain	146.5	−2.5	14.55	9.9
Skis Rossignol	1,630	−20	39	2.3
Suez	280.0	+9.9	25.5	9.1
Telemecanique	762	......	25.5	3.4
Thomson Brandt	192.9	......	15.15	7.9
Usinor	25.9	+1.5	—	—

STOCKHOLM

May 2	Price Krone	+ or −	Div. Kr.	Yld. %
AGA Ab (Kr.50)	205	......	5.5	2.7
Alfa Laval B (Kr50)	161	+1	5	3.1
ASEA (Kr.50)	83.5xd	......	5	6.0
Atlas Copco (Kr25)	130xd	+1	6	4.6
Billerud	86	......	4	4.7
Bofors	125	......	y4	3.2
Cardo	196xc	......	10	5.1
Cellulosa	239	......	10	4.2
Elect'lux 'B' (Kr50)	152	+6	6.5	4.1
Ericsson 'B' (Kr50)	138	+2	6	4.3
Esselte "B"	242	......	8	3.3
Fagersta	110	......	4	3.6
Granges (free)	60.0	+0.5	—	—
Handelsbanken	313xd	−2	16	5.2
Marabou	120xd	......	8	6.7
Mo Och Domsjo	87	......	6.5	9.7
Sandvik A.B.	265	+5	5.75	3.2
S.K.F. 'B' Kr.	81	......	4.5	5.6
Skand Enskilda	149xd	......	8	5.4

BRAZIL

May 2	Price Cruz	+ or −	Div. Cruz
Acesita	1.02	......	0.12
Banco do Brazil	2.35	−0.02	0.17
Banco Itau	1.19	−0.01	0.26
Belgo Mineira OP	1.88	−0.02	0.12
Lojas Amer. OP	3.00	+0.05	0.25
Petrobras PP	2.90	+0.08	0.10
Pirelli OP	2.45	......	0.16
Souza Cruz OP	2.65	......	0.23
Unip PE	7.60	−0.25	0.20
Vale Rio Doce PP	1.55	+0.08	0.13

Vol. Cr.71.0m. Shares 33.1m.
Source: Rio de Janeiro SE.

OSLO

May 2	Price Kroner	+ or −	Div. %
Bergen Bank	93.0	+0.5	9
Borregaard	62.5	+2.5	4
Creditbank	109.00	+0.75	11
Kosmos	240xd	......	20
Kreditkassen	106.75	+0.25	11
Norsk Hydro Kr.80	195.00	+3.75	12
Storebrand	88.25	+0.25	9

JOHANNESBURG

MINES

May 2	Rand
Anglo American Corpn.	5.12
Charter Consolidated	†3.03
East Driefontein	11.00
Elsburg	1.75
Harmony	5.10
Kinross	5.65
Kloof	7.90
Rustenburg Platinum	1.25
St. Helena	†12.30
Southvaal	7.70
Gold Fields SA	19.75
De Beers Deferred	5.72
Blyvooruitzicht	5.50
East Rand Pty.	5.25
Free State Geduld	27.00
President Brand	†15.00
President Steyn	11.00
Stilfontein	3.80
Welkom	4.65
West Driefontein	30.00
Western Holdings	†30.75
Western Deep	12.25

INDUSTRIALS

	Rand
AECI	2.60
Anglo-Amer. Industrial	9.10
Barlow Rand	3.77
CNA Investments	†1.60
Currie Finance	0.67
De Beers Industrial	9.00
Edgars Consolidated Inv.	1.55
Edgars Stores	†22.00
EverReady SA	1.70
Federale Volksbeleggings	1.43
Greatermans Stores	†2.35
Guardian Assurance (SA)	1.53
Huletts	2.10
LTA	1.75
McCarthy Rodway	0.72
NedBank	2.45
OK Bazaars	†5.75
Premier Milling	5.70
Pretoria Cement	3.20
Protea Holdings	1.19
Rand Mines Properties	1.90
Rembrandt Group	3.30
Sage Holdings	1.45
SAPPI	1.90
C. G. Smith Sugar	5.90
Sorec	0.33
SA Breweries	1.28
Tiger Oats and Natl. Mlg.	9.30
Unisec	1.05

Securities Rand $US0.73¾
(Discount of 35.9 per cent.)

SPAIN ♥

May 2	Per cent.	
Asland	120	—
Banco Bilbao	298	—
Banco Atlantico (1,000)	248	—
Banco Central	342	+2
Banco Exterior	298	—
Banco General	275	—
Banco Granada (1,000)	161	—
Banco Hispano	234	—
Banco Ind. Cat. (1,000)	180	—
B. Ind. Mediterraneo	200	+1
Banco Popular	237	−2
Banco Santander (250)	388	+7
Banco Urquijo (1,000)	257	+2
Banco Vizcaya	280	—
Banco Zaragozano	293	−4
Bankunion	152	+3
Bankunion	151	+3
Banus Andalucia	223	—
Babcock Wilcox	29	—
CIC	76	—
Dragados	258	+2
Inmobanif	86	—
E. I. Aragonesas	66	+1
Espanola Zinc	110	—
Expl. Rio Tinto	104.50	+0.25
Fecsa (1,000)	68.75	−1.25
Fenosa (1,000)	70	—
Gal. Preciados	90	+3
Grupo Velazquez (400)	165	—
Hidrola	77.25	—
Iberduero	77	+1.25
Olarra	129	+6
Papeleras Reunidas	68	−3
Petroliber	118	—
Petroleos	190.50	−1.50
Sarrio Papalera	67.75	−2.25
Sniace	48	−2
Sogefisa	120	—

هكذات الأجل

FARMING AND RAW MATERIALS

Surprise cut in U.S. lead price

BY JOHN EDWARDS, COMMODITIES EDITOR

EWS THAT Asarco, one of the ding U.S. lead producers, had t its domestic price by 2 cents 31 cents a lb. came as a surise to London Metal Exchange alers returning after the May y holiday yesterday.

However, although the price t was quickly followed by nker Hill, and was attributed reduced consumer demand. ere was little reaction on the ndon market. It was pointed t that the reduced price was ll above London levels.

Cash lead closed only £2.75 ver at £302.5 a tonne.

Lead was the only base metal move lower. In contrast cash c gained £7.5 to £297 a tonne. was buoyed up by the inases in the European procer price, announced on Friday, en Broken Hill Associated elters decided to follow the rlier lead set by EZ Industries raising its price from $550 to 0 a tonne.

However. Noranda confused situation by moving up to ly $575 a tonne.

Some dealers felt that the c price increases were premae in view of the huge surplus stocks still held by producers. is thought that more time uld be given for the producn cuts to reduce stocks to re reasonable levels before y attempt is made to put up prices.

It is thought that Noranda may have decided to make the small rise of $25 to indicate that it considers that prices should be increased but that it was not in collusion with other producers.

Conzinc Rio Tinto of Australia confirmed yesterday that it had reduced production to 75 per cent. of total capacity at its three smelters—two in Australia and the Avonmouth plant in the U.K.

Discussions were taking place with its partner at the Budel smelter in Holland about output being cut to 75 per cent. in the second half of the year.

Tin prices were boosted by a fall in warehouse stocks, which declined by 140 tonnes to a total of 2,520 tonnes. The stability of Penang prices over the weekend attracted mainly speculative buying interest and some covering of previous scales. As a result cash tin gained £72.5 to £6,182.5 a tonne.

A fall of 2,600 tonnes in copper stocks, reducing total holdings to 550,300 tonnes, was in line with market forecasts. However, values were boosted in the afternoon by the New York market opening unexpectedly higher.

Lead stocks fell by 375 to 61,900 tonnes, while zinc stocks rose by 375 to 61,875 tonnes.

Tea prices down again

BY OUR COMMODITIES STAFF

A PRICES eased again at the ndon auctions held yesterday day later than usual because the May Day holiday.

Average quality tea dropped by to 127p a kilo; medium fell 113p and plain to 82p.

Demand was fair, but it was orted to be selective, with a nber of withdrawals of offers when prices failed to reach ectations.

Buying interest is still ected by the cut in retail sales t followed the recent Price nmission report demanding a uction in prices.

Our New Delhi correspondnet tes: India plans to raise ual tea production from its sent 560m. kilos to 1,300m. the end of the century, Mr. oran Dharia, Commerce nister, told Parliament.

He said that every year 00 acres of additional land s being brought under tea tivation.

This year India expected to duce 600m. kilos, compared h 560m. last year.

The Minister said that India exported 219.6m. kilos of tea worth Rs.5.56bn. in the fiscal year ended March 31, 1978. This compared with 242.6m. kilos worth Rs.2.95bn. in 1976-77.

BRAZIL WILL BUY NIGERIAN RUBBER

By Our Own Correspondent

LAGOS, May 2.

BRAZIL is to buy annually from Nigeria about 10,000 tonnes of natural rubber under an agreement signed here between Cotia Commercio and the local rubber Board.

Brazil is the latest market secured by the rubber Board under a sales promotion drive that has won exports to Britain, Czechoslovakia, Yugoslavia, West Germany, Italy and Belgium.

"We are currently exploring Bulgarian, Rumanian, Scandinavian and Korean markets," said Mr. J. Umoren, chairman of the rubber Board.

Wool sales buyers protest

SYDNEY, May 2.

BUYERS OF Australian wool have agreed with reluctance, and under protest, that the auctions this week should have the normal payment conditions, John Westmore, director of the Australian Wool Buyers' Council, said here.

Buyers had wanted an extension of the payment conditions in view of the delays to wool shipments caused by industrial action in Australian docks over the past month, he said. The delays meant buyers had to hold wool they had paid for but could not ship.

The joint wool selling organisation will review the situation on Friday.

In Canberra, the Bureau of Agricultural Economics slightly raised its fourth forecast of Australian wool exports in the 1977-78 season ending June 30, to 675m. kilos greasy equivalent from 658m. forecast in December. Exports in 1976-77 were 831.6m. kilos.

The bureau also raised its forecast of live sheep exports in 1977-78 to 3.85m. head compared with the December estimate of 3.25m. and 1976-77 shipments of 3.35m.

Reuter

Windward Is. sent Britain fewer bananas

By Our Own Correspondent

PORT OF SPAIN, May 2.

BANANA EXPORTS to Britain from the four Windward Islands —St. Lucia, St. Vincent, Dominica, Grenada—fell by more than 9,000 tons last year, according to the Windward Islands Banana Association (WINBAN).

Total exports were 111,337 tons, compared with 120,594 tons in 1976.

According to WINBAN, the major reason for the decline was unfavourable weather. Present indications, however, are that exports to Britain this year may total as much as 141,119 tons.

St. Lucia and Dominica are expected to be the main suppliers among the group this year.

THAILAND HALTS RICE EXPORTS

BANGKOK, May 2.

A temporary ban on rice exports, pending the outcome of a survey of stocks was announced by Thailand yesterday, reports Reuter.

The Commerce Minister, Nam Poonvathy, said that he had instructed officials to conduct a survey of stocks and estimate the extent of the secondary crop which is being harvested.

'Hands off animal exports' plea as protests revive

BY CHRISTOPHER PARKES

BRITISH FARMERS and exporters should be given a clear assurance allowing them to carry on "unmolested" with exports of live food animals, Sir Henry Plumb, president of the National Farmers' Union said yesterday.

Disturbed by the renewed clamour for a Government ban on the trade and the unofficial "blacking" of livestock cargoes in the docks, Sir Henry claimed that three big Government inquiries had shown that livestock exports caused no economic damage in the U.K. nor unnecessary suffering for the animals.

"It is high time for Parliament to give us a firm, clear assurance that the trade may continue, subject to welfare safeguards, so that we can get on with the job unmolested," Sir Henry said at the opening of the livestock market at Ashford, Kent.

Sir Henry said that farmers were deeply concerned about the welfare of their animals and he believed exporters were equally concerned.

"It is of no advantage to us to supply animals in anything other than tip-top condition. The weight of advantage to the U.K. — not just to farmers themselves — lies in continuing the trade.

"Legally, it could be very difficult to ban it under EEC law."

Dockers at registered ports have begun refusing to handle livestock for export. Yesterday a delegation from the Animal Welfare Co-ordinating Executive, led by Mr. Robin Corbett, Labour MP for Hemel Hempstead, went to the Ministry of Agriculture to ask for exports to be suspended so that the debate could continue in a "neutral" atmosphere.

Mr. John Silkin, the Minister, turned down this appeal but promised that he would be making a statement in the House of Commons "reasonably soon."

"I hope we shall have a debate and a vote on it— and this would have to be a free vote," Mr. Corbett said.

"If we get a free vote we have every chance of getting this trade banned."

He felt that the most recent report, prepared by Ministry officials, which concluded that the trade should be allowed to continue, should not be considered binding on Mr. Silkin.

Mr. Corbett, who is also chairman of the Parliamentary Labour Party Food and Agriculture Committee, addressed a recent meeting of dockyard shop stewards which undertook to embargo shipments of animals for slaughter or further fattening abroad.

Meat industry and tannery workers have complained that their jobs have been put at risk by the exports and this claim, merged with the "cruelty" lobby, has attracted considerable sympathy.

The Transport and General Workers' Union, however, had no news yesterday of the extent to which the unofficial call to "black" stock exports had been taken up.

Soviet threat to meat trade

BY OUR COMMODITIES STAFF

SOVIET RELUCTANCE to buy meat from its usual world market suppliers threatens to spark off a round of price-cutting, as leading beef producers scour the world for other outlets.

After reports from Moscow that the Soviet Union was holding back from buying, despite shortages of meat in its shops, traders in Buenos Aires said that Argentina would have to become increasingly competitive with other exporting countries in the search for alternative outlets.

Last week Reuter reported diplomatic sources in Moscow as saying that Australia and New Zealand, which between them sold more than 130,000 tonnes of beef to Russia last year, had not received a single Soviet order this year.

The Soviet Union's reluctance to buy has been attributed to efforts to save foreign currency for spending on priority projects and moves to reduce the foreign trade deficit.

Last year the Soviet Union was Argentina's third most important beef market, after West Germany and the U.S., buying 32,100 tonnes of meat. In 1976, the Russians bought only 11,000 tonnes.

Argentina sold 501,700 tonnes of meat abroad last year and the Government aims to increase this to 700,000 tonnes this season by developing new outlets in the Middle East and Africa.

● The French Ministry of Agriculture has forecast a modest recovery in beef production this year. Lamb and pork output are also expected to rise although home-produced veal supplies will fall again.

Beef farmers should raise output 1 per cent. to 1.385m. tonnes. Production in 1977 was almost 11 per cent. lower than in 1976 so that traders spent heavily on imports and dug deeply into the reserves of meat held in the EEC's intervention stores to maintain export trade and home supplies.

This year France is expected to be 106 per cent. self-sufficient in beef. However, it will still have to import about 16 per cent. of its pork and 27 per cent. of its lamb.

Average consumption of all meats this year is expected to climb marginally by 1.4 per cent.

Wheat pact talks

BY OUR COMMODITIES STAFF

NEW EFFORTS to prepare the ground for an international wheat agreement have started in Geneva this week.

A special 12-nation interim committee was set up in March after a six-week negotiating conference failed to agree the terms of a new pact.

The committee's task is to see whether a new draft can be worked out and finalised by July for another negotiating conference, tentatively planned for September. It will meet again in London later this month.

Some progress in reconciling differences is believed to have been made at the recent private talks btween the U.S. and EEC in Washington, but there is no definite sign yet that the main disputes over the price range, size of reserve stocks and the inclusion of course grains have been resolved.

China may step up grain imports

WASHINGTON, May 2.

CHINA MAY increase its imports of grains and cotton, the U.S. Agriculture Department forecast here.

Its weekly Foreign Agriculture magazine said that imports of soyabeans and sugar could drop, however, since these crops were faring better than the drought-plagued ones of last season.

The report said that China might import up to 7m. tonnes of wheat for delivery in 1978-79, including the 1m. tonnes already bought from the U.S.

China purchased 9m. tonnes of grain for delivery between July, 1977 and June, 1978.

China's increasing demand for cotton could cause imports to reach 1.3m. bales in 1977-78, of which the U.S. had already supplied 342,000 bales, Foreign Agriculture said.

The Chinese imported unusually large quantities of sugar in 1977—1.6m. tonnes, compared with the 1961 record of 1.53m. tonnes. The shortfall of the 1976 harvest was not enough to account for this level so China might be buying sugar to sell later at a profit, the department added.

In Ottawa, Canadian officials said that they would visit China later this month to discuss future grain sales.

The last sale of Canadian grain to China for shipment in July, 1978, was for 3m. tonnes.

Reuter

Satellite crop forecasting disappoints

THE U.S. Government is scaling down its ambitions to forecast foreign wheat production by using satellites, AP-Dow Jones reports from Washington.

The General Accounting Office, an investigatory arm of Congress, gave a lukewarm verdict recently on the outcome of a three-year exercise on wheat forecasting that used a National Aeronautics and Space Administration satellite. The results appeared to be nearly on-target in estimating the 1975-76 Soviet harvest, but their accuracy was actually the result of "offsetting errors," with the projected wheat acreage turning out 12 per cent. too high and the per-acre yields 15 per cent. too low.

The satellite had problems spying out wheat acreage from its 570-mile-high orbit. A field of spring wheat, for example, looked to the satellite like other vegetation, especially barley, in the same stage of growth.

The U.S. Agriculture Department had originally hoped to start an operational, satellite-based, world wheat forecasting system at the end of the experiment.

Instead, a less ambitious programme of continued earth-sensing research will be used. Top priority will go to using satellite pictures for an early warning of drought and other abrupt changes in crop conditions.

Tree 'mortgage' proposed to encourage farmers

FINANCIAL TIMES REPORTER

BRITAIN'S newest Countryside Commissioner, Mr. John Dunning, of Orton in Cumbria, is promoting a revolutionary way of making tree-planting profitable for farmers.

Mr. Dunning, former chairman of the uplands management committee of the Lake District Special Planning Board, says the Government should operate a mortgage system for trees, so that, in addition to a Forestry Commission planting grant, the farmer can get an annual loan payment to be drawn against the value of the final crop.

The upper limit of these payments could be reviewed from time to time to take account of inflation.

The problem with trees on farmland has been that there is not much commercial incentive for farmers to plant trees when they get no return for 30 years.

"There are now the strongest possible reasons why a concerted effort should be made to correct this position, especially in the Uplands," said Mr. Dunning, himself a farmer. "Any move towards solving the deep-rooted social, economic and environmental problems of the uplands must recognise the key role of the land-based economy on which the other interests so largely depend.

"In any future initiative by the Ministry of Agriculture towards this end, the integrated role of forestry must form a vital component."

Mr. Dunning has been getting a good response from both farming and forestry bodies for his proposal. Mr. Michael Scott, North Lakes District Officer of the Forestry Commission, said: "This would appear to have a lot of merit."

OMMODITY MARKET REPORTS AND PRICES

ASE METALS

PPER—Higher on the London Metal ange. Forward metal opened firmer 1 but the lack of any follow through the price down to £703.5 where buying cause it to rally to £707.5 he morning kerb. In the afternoon, ver, a higher than expected opening omex saw the price move ahead end at £714 on the late kerb. Values ngthened further in the late interbusiness with forward material ing £716 before easing fractionally. over 20,150 tonnes.

PER	a.m. Official	+ or —	p.m. Unofficial	†+ or —
	£	£	£	£
bars				
.....	689-.5	+5	691-2	+7.25
ths..	706.5-7	+5.5	708-.5	+8
m'nt	689.5	+5	—	......
odes				
.....	679-80	+5	681-2	+7
ths..	697-.5	+5.5	699-700	+7.75
m'nt.	680	+5	—	......
smt..	—	......	64	......

algamated Metal Trading reported in the morning cash wirebars traded 689.5, three months £706, 05.5, 06. Three months £697. Kerb: Wirethree months £707, 07.5. Afternoon: bars, three months £709, 9.5, 8.5, 9. Wirebars, three months £709.5, 10, .5, 12, 13, 14, 13.

TIN—Gained ground. Forward metal opened a shade easier at £6,050 reflecting the marginal fall in the Penang market over the week-end. However, chartist and speculative buying and the absence of trade selling enabled the price to rally to £6,145 on the late kerb with protective borrowing of nearby dates causing a widening of the backwardation to £45. Turnover 1,460 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	†+ or —
High Grade	£	£	£	£
Cash	6132-40	+26	6180-5	+72.5
3 months	6100-10	+25	6135-45	+65
Settlem't	6140	+25	—	......
Standard				
Cash	6132-40	+28	6180-5	+72.5
3 months	6100-5	+25	6135-40	+60
Settlem't	6140	+25	—	......
Straits E.	‡1550	—1	—	......
New York	—	......		

Morning: Standard, cash £6,125, 35, three months £6,070, 75, 80, 90, 95, £6,100. Kerb: Standard, three months £6,110, 20, 30, 25. Afternoon: Standard, three months £6,135, 35, 40. Kerb: Standard, three months £6,135, 40, 45.

LEAD—Lost ground despite the gains in other base-metals and following the 2 cents cut in the producers price by Asarco. Forward metal opened lower and thereafter moved within narrow limits to close at £311 on the late kerb. Turnover 2,725 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	†+ or —
	£	£	£	£
Cash	300.75-1.25	-4.25	302-3	-2.75
3 months	310-.5	-3.25	310.5-11	-2.75
Sett'l'm'nt	301.25	-4.25	—	......
U.S. Spot	—	......	*31	......

Morning: Cash £301, three months £309, 10, 10.5, 10, 09.5, 09.75, 10. Kerb: Three months £310.5, 10.25, 10, 10.5. Afternoon: Three months £310.5, 11. Kerb: Three months £311.

ZINC—Firmer reflecting the producer price rise announced late on Friday by Noranda. Forward metal in the morning Ring at £302.5 and moved ahead to close at the day's highest level of £306.5 on the late kerb. Turnover 3,300 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	†+ or —
	£		£	
Cash	295.5-6	+6.25	296.5-7.5	+7.5
3 months	304.5-5	+7.25	305-.5	+6.75
S'ment	296	+5	—	......
Prm. West	—	......	29	......

Morning: Cash £296, three months £302.5, 03, 04, 04.5. Kerb: Three months £305. Afternoon: Three months £305, 6, 6.5. Kerb: Three months £306, 5, 5.5, 6, 6.5.

* Cents per pound. † On previous official close. ‡ $M per picul.

SILVER

Silver was fixed 0.95p an ounce lower for spot delivery in the London bullion market yesterday at 272.35p. U.S. cent equivalents of the fixing levels were: Spot 497.7c, down 2.1c; three-month 504.6c, down 1.8c; six-month 513.7c, down 2.8c; and 12-month 535.5c, down 2.3c. The metal opened at 273-273½p (496-498c) and closed at 273½-274½p (499½-501c).

SILVER per troy oz.	Bullion fixing pricing	+ or —	L.M.E. close	+ or —
Spot	272.35p	-0.85	273.9p	-0.55
3 months	277.95p	-0.55	279.35p	+0.1
6 months	284.85p	-0.65	—	......
12 months	300.10p	-0.70	—	......

LME—Turnover 146 (60) lots of 10,000 ounces. Morning: Three months 277.8, 8, 8.3, 8.2. Kerbs: Three months 278.3, 8.4. Afternoon: Three months 279. Kerbs: Three months 279.4, 9.5, 9.6, 9.5, 9.4.

COCOA

In thin conditions, light off-take from the Continent steadied values in the absence of first-hand sellers, Gill and Duffus reported.

COCOA	Yesterday's Close	+ or —	Business Done
No.6 Contract			
May	2051.0-55.0	+17.75	2064.0-2020
July	1975.0-77.0	+22.25	1980.0-1930
Sept.	1893.0-94.0	+25.00	1904.0-1855
Dec.	1819.0-20.0	+18.00	1820.0-1780
March	1767.0-72.0	+11.50	1775.0-1750
May	1725.0-37.0	+6.00	—
July	1688.0-17.0	+18.00	1705.0

Sales: 2,087 (4,945) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound)—Daily price May 1: 158.28 (151.12). Indicator prices May 2: 15-day average 155.26 (155.84); 22-day average 156.96 (157.74).

COFFEE

Robustas were quietly firm, but with the market in a narrow range, trading conditions were lethargic, Drexel Burnham reported. Light trade selling at the close eroded values somewhat and final levels were £10 to £15 higher on the day.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1529-1582	+21.5	1538-1518
July	1405-1405	+15.0	1413-1398
September	1320-1322	+10.0	1332-1318
November	1223-1275	+15.0	1284-1270
January	1240-1245	+12.5	1250-1240
March	1215-1220	+5.0	1225.0
May	1206-1210	—4.5	1216-1210

Sales: 1,394 (2,684) lots of 5 tonnes.

ICO Indicator prices for May 1: (U.S. cents per pound): Colombian Mild Arabicas 194.00 (same); unwashed Arabicas 163.00 (same); other mild Arabicas 178.02 (same); Robustas 139.00 (same). Daily average 156.01 (same).

ARABICAS—There was no trading until late in the afternoon and the market closed marginally steadier in featureless conditions Drexel Burnham Lambert, reported.

Prices (in order buyer, seller, change, business): June 183.50-183.75, +1.62, 183.50; August 169.50-171.00, +2.37, untraded; Oct. 155.00-155.50, +1.62, 155.00-154.00; Dec. 142.00-142.50, +0.75, 142.00; Feb. 132.50-137.50, unchanged, untraded; April 130.00-137.00, +0.50, untraded; June 128.00-135.00, new contract. Sales: 10 (12) lots of 17,250 kilos.

GRAINS

LONDON FUTURES (GAFTA)—The market opened unchanged on May wheat, but found good short-covering interest on a lack of offers. Values moved up to 110 points higher where spring profit-taking enabled values to ease back to close only 30 points higher with no buyers apparent. Old crop barley traded from 50 higher to 100 points higher, where good profit-taking pared values to close only 20 points higher. New crops saw good weather-orientated buyers and closed firm around 50 points higher, despite steady commercial selling of new crop wheat, Acli reported.

	WHEAT		BARLEY	
M'nth	Yesterday's close	+ or —	Yesterday's close	+ or —
May	98.50	+0.30	82.45	+0.20
Sept.	86.55	+0.50	81.05	+0.45
Nov.	89.00	+0.55	83.40	+0.45
Jan.	91.45	+0.45	85.95	+0.40
Mar.	93.80	+0.50	88.40	+0.45

Business done—Wheat: May 99.30-98.75, Sept. 86.60-86.50, Nov. 89.05-88.90, Jan. 91.60-91.45, March 93.90-93.80. Sales: 119 lots. Barley: May 83.25-82.50, Sept. 81.10-80.95, Nov. 83.45-83.40, Jan. 86.05-85.90, March nil. Sales: 79 lots.

IMPORTED—Wheat: CWRS No. 1, 13½ per cent., April-May £94.00 Tilbury. U.S. Dark Northern Spring No. 2, 14 per cent., May £85.50, June and July £85.00, transhipment East Coast. Rest unquoted.

Maize: U.S./French April/first-half May £106.75, second-half May £106.00, June £105.50 transhipment East Coast. South African Yellow May-June £81.00 seller. Others unquoted.

Barley, Sorghum, Oats: All unquoted.

HGCA—Ex-farm spot prices May 2: minimal business. U.K. monetary coefficient for the week from May 8 is expected to remain unchanged.

EEC IMPORT LEVIES—Effective for May 3 in order current levy plus June, July and August premiums, with previous in brackets: all in units of account per tonne. Common wheat—88.47, nil, nil, nil (88.47, nil, nil, nil); Durum wheat—129.15, nil, nil, 1.32 (129.15, 1.32, 1.32, 1.98); Rye—82.68, 1.15, 1.15, 2.14 (81.87, nil, nil, nil); Barley—76.73, nil, nil, nil (76.73, nil, nil, nil); Oats—77.86, nil, nil, nil (77.86, nil, nil, nil); Maize (other than hybrid for seeding)—72.7, 0.66, 0.66, 1.98 (72.70, 0.82, 0.82, 1.65); Millet—73.41, nil, nil, nil (73.41, nil, nil, nil); Grain sorghum—80.73, nil, nil, nil (79.08, nil, nil, nil). Also for flours: Wheat or mixed wheat and rye—135.98 (135.98); Rye—128.07 (126.68).

RUBBER

STEADY opening on the London physical market. Fair interest throughout the day, closing uncertain. Lewis and Peat report that the Malaysian godown price was 213 (209) cents a kilo (buyer, May).

No.1 R.S.S.	Previous close	Yest'rday's close	Business done
June	53.00-54.50	52.50-54.00	
July	55.05-55.10	54.60-54.65	55.10-55.05
Jly-Sept	56.45-55.50	54.20-54.40	55.70-54.40
Oct-Dec	56.55-56.60	55.55-55.80	56.70-55.60
Jan-Mr.	57.00-57.05	56.50-56.55	57.70-56.85
Apr-Jne	58.00-58.05	57.80-57.85	58.20-58.10
Jly-Sep	59.00-59.05	58.50-58.60	58.54-59.00
Oct-Dec	60.05-60.10	59.65-59.70	60.60-59.06
Jan-Mar	61.00-61.10	60.65-60.70	61.10-61.05

Sales: 378 (312) lots of 15 tonnes and five at 7 tonnes.

Physical closing prices (buyers) were: Spot 52.5p (53.0); June 53.75p (52.25); July 53.25p (52.75).

MEAT/VEGETABLES

SMITHFIELD (pence per pound)—Beef: Scotch killed sides 53.0 to 56.0; Ulster hindquarters 69.0 to 71.0, forequarters 38.0 to 40.0.

Veal: English fats 70.0 to 76.0; Dutch hinds and ends 96.0 to 100.0.

Lamb: English small, new season 86.0 to 76.0, medium, new season 68.0 to 72.0. Imported frozen: NZ PL 48.5 to 49.0, PM 47.5 to 48.0, PH 44.5 to 46.0.

Hoggets: English 46.0 to 60.0; Scotch 45.0 to 60.0.

Pork: English, under 100 lbs 36.0 to 45.0, 100-120 lbs 37.0 to 43.0, 120-160 lbs 36.0 to 42.0.

Rabbits (skinned): English tame 65.0 to 66.0; Chinese 42.0 to 45.0; Australian 39.0 to 40.0.

MEAT COMMISSION—Average fatstock prices at representative markets May 2. GB cattle 68.71p per kg.l.w. (+0.62); U.K. sheep 151.3p per kg.est.d.c.w. (+6.9); GB pigs 63.7p per kg.l.w. (−0.1). England and Wales—Cattle numbers up 32.4 per cent., average price 68.75p (+0.60); Sheep up 33.0 per cent., average 151.8p (+5.7); Pigs up 34.2 per cent., average 63.6p (−0.2). Scotland—Cattle down 1.0 per cent., average 68.61p (+0.46); Sheep down 37.9 per cent., average 137.0p (+1.5); Pigs down 4.7 per cent. average 64.5p (+0.2).

MLC average fatstock prices at representative markets for week ending April 28: GB cattle 68.14p per kg. l.w. (+0.07); U.K. sheep 146.3p per kg. est.d.c.w. (+6.71); GB pigs 63.6p per kg. l.w. (+0.2). England and Wales—Cattle numbers down 4.2 per cent., average price 68.18p (+0.15); Sheep down 9.6 per cent., average 147.5p (+7.3); Pigs down 0.8 per cent., average 63.6p (+0.4). Scotland—Cattle up 5.0 per cent., average price 68.10p (−0.13); Sheep down 3.8 per cent., average price 138.9p (+3.6); Pigs up 10.3 per cent., average price 64.6p (no change).

COVENT GARDEN (prices in sterling per package unless stated)—Imported produce: Oranges—Cyprus: Valencia Lates 20 kg. 3.30-3.50, 15 kg. 3.00-3.60; Jaffa: Valencia Lates 3.75-4.20; Egyptian: Valencia Lates 2.40; Moroccan: 2.70-2.90; Texas: 3.30. Ortaniques—Jamaican: 5.50-6.50. Lemons—Italian: 100/120's 3.60-3.70; Spanish: Small trays 25/30's 1.30; Californian: 3.50-4.00. Grapefruit—Cyprus: 15 kg. 2.20-2.60; 20 kg. 2.80-3.80; Jaffa: 20 kg. 2.70-3.70; U.S.: Ruby Red 15 kg. 4.60. Apples—French: Golden Delicious 20 lbs 84's 2.50-2.70, 72's 2.70-2.90; 40 lbs 4.80-5.60, Golden Delicious, jumble pack, per pound 0.10-0.12; Italian: Rome Beauty, per pound 0.13, Golden Delicious 0.10-0.12; U.S.: Red Delicious 7.50; South African: Dunn's 5.50-7.00, Granny Smiths 7.20-7.50, White Winter Pearmain 7.10, Starkins Delicious 7.00-8.50; Chilean: Granny Smiths 6.60-7.00; New Zealand: Cox's Orange Pippins 163/234 7.00-8.30, Golden Delicious 175's 6.60; Danish: Per pound Cox's 0.15-0.16, Spartans 0.10-0.11. Pears—South African: Cartons, Packham's Triumph 7.40, Beurre Bosc 5.60; Dutch: Per pound Conference 0.14; Belgian: Conference 0.10-0.12. Grapes—South African: New Cross 6.30, Barlinka 4.20, Waltham Cross 6.20. Bananas—Jamaican: Per pound 0.14-0.15. Melons—Chilean: White 4.00, Colombian: Green 2.60. Avocados—Kenya: Fuerte 14/24's 3.60; South African: Fuerte 3.50-3.60. Strawberries—Spanish: 0.30; Californian: 0.60; Italian 0.30. Onions—Dutch: Large 2.00, medium 1.00; Chilean: Bags approximately 50 lbs 3/5's 3.50, cases 4.00-4.50; Canary: 4.50. Capsicums—Kenya: Per pound 0.40. Celery—Spanish: 15's/36's 3.80-4.80; American: 24's 6.00. Potatoes—Canary: 3.80-4.00; Egyptian: 3.80-4.90; Cyprus: 4.00. Cauliflowers—Jersey: 2.00. Cucumbers—Dutch: 14/16's 1.80. Tomatoes—Canary: 4.00-4.40; Jersey: Per pound 0.45; Dutch: 0.45; Guernsey: 0.45. Carrots—Cyprus: 1.20.

English produce: Potatoes—Per 56 lbs. Whites/Reds 2.50-3.00. Lettuce—Per 12's 1.40. Beetroots—Per 28 lbs 1.00. Turnips—Per 28 lbs 0.50. Carrots—Per bag 0.60-1.20. Parsnips—Per 28 lbs 0.90-1.00. Onions—Per 56 lbs 1.00-2.00. Swedes—Per 28 lbs 0.50. Rhubarb—Per pound, outdoor 0.07-0.08. Cucumbers—Per tray 12/24's 1.20-1.80. Mushrooms—Per pound 0.40-0.50. Apples—Per pound Bramley's 0.15-0.17. Cox's Orange Pippins 0.16-0.20. Laxtons 0.10-0.13. Pears—Per pound Conference 0.13-0.15. Tomatoes—Per pound English 0.45. Greens—Per crate, Kent 0.70-0.80. Cauliflowers—Per 12's Lincoln 1.00-1.10, Kent 1.50-2.20.

SOYABEAN MEAL

The market opened £1.50 higher, after the steady Chicago markets. Long liquidation was well absorbed and prices remained within a narrow range, but lower-than-expected Chicago opening caused prices to dip, closing unchanged from Friday's close. SNW Commodities reported.

	Yesterday Close	+ or —	Business Done
	£ per tonne		
June	129.50-29.9	......	131.00-29.50
August	128.4-26.6	-0.10	130.50-28.50
October	125.21-26.0	+0.10	—
December	120.60-21.5	+0.05	122.00-21.00
February	121.00-23.5	+0.25	—
April	121.50-25.0	+0.50	—
June	122.00-27.0	......	—

Sales: 35 (186) lots of 100 tonnes.

VEGETABLE OILS

PALM OIL, London—May, June, July, August 300.00-330.00, Sept. 290.00-320.00, Oct 290.00-320.00, Nov. 290.00-315.00, Dec. 280.00-310.00, Jan. unquoted. Sales: nil.

SUGAR

LONDON DAILY PRICE (raw sugar) £101.50 (same) a tonne cif for May-June shipment. White sugar daily price was fixed at £109.00 (same).

First trades were at pre-holiday levels, but losses of some 50 points were soon recorded. Later reports that the Philippines had sold 60,000 tons into the second-hand caused further losses of up to 100 points. The decline was halted, though, after reports that the Philippines business was a swap arrangement involving a U.S. refiner, C. Czarnikow reported.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
Aug.	107.50-07.60	112.50-12.35	108.50-07.00
Oct.	111.05-11.15	116.15-16.50	112.25-10.80
Dec.	114.50-15.10	120.00-25.10	115.25-14.90
March	121.80-22.0	126.55-26.60	122.25-21.75
May	126.40-55.50	130.30-30.50	126.25-25.50
Aug.	129.00-29.25	134.10-34.25	129.75
Oct.	132.25-32.90	—	135.20-32.80

Sales: 835 (2,172) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £242.40 (same) a tonne for home trade and £161.50 (same) for export.

International Sugar Agreement: Indicator prices (U.S. cents per pound) fob and stowed Caribbean port, prices for April 28: Daily 7.49 (7.65); 15-day average 7.59 (7.60).

WOOL FUTURES

LONDON—Dull and featureless, Bache reported.

(Pence per kilo)

Australian Greasy Wool	Yesterd'y's Close	+ or —	Business Done
May	226.0-28.0	......	227.5
July	232.0-34.0	......	—
October	236.0-39.0	......	—
December	240.0-41.0	-0.50	—
March	245.0-48.0	......	—
May	245.0-48.5	......	—
July	246.0-48.0	......	—
October	247.0-50.0	......	—

Sales: 5 (nil) lots of 1,500 kilos.

SYDNEY GREASY (in order buyer, seller, business, sales)—Micron Contract: May 339.0, 339.5, 340-339.1, 27; July 343.5, 344.0, 344.5-344.5, 2; Oct. 347.5, 348.0, 349.0-348.9, 5; Dec. 354.5, 354.8, 355.5-354.5, 20; March 362.2, 362.5, 363.0-362.1, 8; May 367.0, 367.5, untraded; July 369.5-370.0, untraded; Oct. 371.5, 372.0, untraded. Total sales: 62 lots.

Jordan earns less from phosphates

By Our Own Correspondent

AMMAN, May 2.

JORDAN'S REVENUES from its main export commodity, raw phosphate rock, dropped slightly last year while total production and export figures continued to rise slightly for the second year in succession.

Official figures released here by the state-owned Jordan Phosphate Mines Company show total revenues of $59m. last year on exports of 1.79m. tons compared with 1976 revenues of $64m. on exports of 1.65m. tons.

Last year's production totalled 1.77m. tons, compared with the previous year's production of 1.70m. tons.

The sluggish 1977 export and revenue figures are below targets in the current five-year plan, which now anticipates an annual production of 6m. tons of raw phosphate rock by 1980, a slight scaling down from the original target of 7m. tons.

But informed sources here say that technical factors related to expansion work have held down this year's output and exports, and company officials are already certain of exports for this year totalling at least 2.5m. tons.

PRICE CHANGES

Prices per tonne unless otherwise stated.

	May 2 1978	+ or —	Month ago
Metals			
Aluminium	£680	......	£680
Free market (cts)	$985-100	......	$950-60
Copper cash W.Bars	£691.5	+7.25	£695.5
3 months do. do.	£709.25	+8.0	£709.25
Cash Cathode	£681.5	+7.0	£684
3 months do. do.	£699.5	+7.75	£698.75
Gold ... Troy oz.	$169.125	—1.5	$182.375
Lead Cash	£302.5	—2.75	£311.75
3 months	£310.75	—2.75	£317.25
Nickel			
Free Market (cif lb)	$1.95-2.05	......	$1.9-2.04
Platinum troy oz.	£120.50	......	£117.5
Free Market	£116.15	—1.25	£120.2
Quicksilver (76lb.)	$127-32	......	$130-35
Silver troy oz.	272.35p	—0.85	289.5p
3 months	277.95p	—0.55	294.25p
Tin Cash	£6,182.5	+72.5	£5,745
3 months	£6,137.5	+60.0	£5,787.5
Wolfram22.04lb.cif	$137-142	......	$147-53
Zinc cash	£297	+7.5	£292.5
3 months	£306.25	+8.75	£297.5
Producers	$550-600	......	$550
Oils			
Coconut (Phil)	$615x	+5.0	$652.5
Groundnut	£755	......	£722
Linseed Crude (v)	£363	—5.0	£320
Palm Malayan	$595w	+12.0	$575
Seeds			
Copra Philip	$410r	......	$420
Soyabean (U.S.)	$304	+5.5	$287.5
Grains			
Barley EEC			
Home Futures	£81.05	+0.45	£79.15
Maize			
French No. 3 Am	£106.75z	......	£104.75
Wheat			
No. 1 Red Spring	£94v	+0.5	£93
No.2 Hard Winter	‡		
English Milling	£102-	......	£97.25
Cocoa Shipment	£2096	......	£2,059
Future July	£1975	+22.25	£1,947
Coffee Future			
July	£1,404	+15.0	£1,331
Cotton 'A' Index	69.8c	+0.5	69.45
Rubber kilo	52.5p	+0.5	48p
Sugar (Raw)	£101.5	......	£102
Woollops 64s kilo	279p	......	272p

* Nominal. ‡ Unquoted. s May-June. t May-Aug. u June. v April-June. w April-May. x Per ton.

FINANCIAL TIMES

May 2	May 1	Month ago	Year ago
239.39	239.05	234.96	273.21

(Base: July 1, 1952=100)

REUTER'S

May 2	April 28	Month ago	Year ago
1455.4	1455.3	1428.3	1722.2

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	May 2	May 1	Month ago	Year ago
Spot	359.12	357.64	359.72	426.75
Futures	346.98	349.32	348.16	402.61

(Average 1924-25-26=100)

MOODY'S

Moody's	May 2	May 1	Month ago	Year ago
Spie Commdty	902.3	899.5	904.8	940.5

(December 31, 1931=100)

COTTON

LIVERPOOL—Spot and shipment sales amounted to 103 tonnes. Quiet dealings occurred after the resumption of trading, with only modest support in various American-type qualities, F.W. Tattersall reported. Russian and Turkish provided the bulk of the off-take.

JUTE

DUNDEE JUTE—Quiet. Prices c. and f. U.K. for May-June shipment: BWC £290, BWD £282. Tossa: BTB £302, BTC £292, BTD £264. Calcutta goods easier. Quotations c. and f. U.K. for prompt shipment: 10-ounce, 40-inch £10.32, 7½-ounce £7.99 per 100 yards: May £10.30 and £7.99; June £10.21 and £7.98. "B" twills £28.25, £28.44 and £28.66 for the respective shipment periods. Yarn and cloth firm.

U.S. Markets

Copper falls —precious metals gain

NEW YORK, May 2.

COPPER closed lower on Commission House and local selling, while precious metals closed higher on short-covering prior to tomorrow's IMF gold auction, Bache reported. Cocoa rallied on London arbitrage buying. Sugar registered modest declines on trade hedge-selling and stale liquidation. Coffee finished lower on lack of physical interest.

Cocoa—May 151.00 (149.00), July 148.50 (146.00), Sept. 144.65, Dec. 138.85, March 134.75, May 131.75, July 129.40. Sales: 541 lots.

Coffee—"C" Contract: May 176.00-176.25 (178.25), July 155.70-156.00 (156.35), Sept. 139.50-139.70, Dec. 125.00-125.50, March 119.80-120.50, May 116.50-117.50, July 115.75-117.00, Sept. unquoted. Sales: 504 lots.

Copper—May 58.50 (58.70), June 59.00 (59.50), July 59.50, Sept. 60.60, Dec. 62.10, Jan. 62.60, March 63.60, May 64.60, July 65.60, Sept. 66.60, Dec. 68.10, Jan. 68.60, March 69.60. Sales: 4,000 lots.

Cotton—No. 2: May 56.80-56.95 (57.40), July 58.42-58.48 (59.07), Oct. 60.30-60.40, Dec. 61.43-61.45, March 62.57-62.70, May 63.10-63.35, July 63.60-63.90, Oct. 63.20-64.00. Sales: 345,000 bales.

*Gold—May 170.00 (169.10), June 170.70 (169.80), July 171.70, Aug. 172.60, Oct. 174.30, Dec. 177.10, Feb. 179.40, April 181.90, June 184.30, Aug. 187.10, Oct. 189.70, Dec. 192.30, Feb. 195.00. Sales: 3,900 lots.

†Lard—Chicago loose unavailable (21.50). NY prime steam 23.50 traded (23.00 traded).

‡Maize—May 240¼-240½ (249½), July 244½-245 (245), Sept. 242½-242¼, Dec. 243-242¾, March 249½-249¾, May 252½.

§Platinum—July 211.70-212.30 (210.70), Oct. 214.30 (212.60), Jan. 216.90-217.00, April 218.70-219.90, July 222.00-222.20, Oct. 225.00-227.00, Jan. 227.60-228.00. Sales: 600 lots.

¶Silver—May 499.20 (494.30), June 501.20 (496.70), July 504.50, Sept. 512.00, Dec. 523.30, Jan. 527.50, March 535.50, May 543.70, July 552.10, Sept. 560.40, Dec. 573.60, Jan. 577.90, March 586.50. Sales: 13,000 lots. Handy and Harman bullion spot 497.50 (495.10).

Soyabeans—May 721½-720 (735½), July 700-698 (700½), Aug. 673-674, Sept. 635-634, Nov. 605-602, Jan. 609½-610, March 616-616½, May 619-621.

‖Soyabean Meal—May 175.50-174.80 (176.80), July 176.50-176.00 (178.30), Aug. 174.50, Sept. 169.60-170.50, Oct. 164.20, Dec. 162.50-162.00, Jan. 162.50-163.50, March 166.30-166.50, May 167.00-167.50.

Soyabean Oil—May 27.60-27.70 (27.37), July 26.70-26.65 (26.55), Aug. 25.45-25.50, Sept. 24.20-24.15, Oct 23.10, Dec. 22.40-22.45, Jan. 22.10, March 22.00, May 21.60-21.70.

Sugar—No. 11: July 7.77-7.75 (7.91), Sept. 7.97-7.98 (8.19), Oct. 8.08-8.09, Jan. 8.45-8.50, March 8.86, May 8.98-9.00, July 9.20-9.24, Sept. 9.35-9.37, Oct. 9.43-9.60. Sales: 2,310 lots.

Tin—510.00-518.00 asked (505.00-513.00 asked).

**Wheat—May 296 (301), July 298-299 (304½), Sept. 303, Dec. 310-309½, March 312½-312, May 313.

WINNIPEG, May 2. ††Rye—May 98.50 asked (100.50 bid), July 99.00 asked (102.00 asked), Oct. 102.20 asked, Nov. 105.00 asked, Dec. 104.50 nom.

††Oats—May 83.90 bid (83.50 asked), July 79.40 asked (78.50-78.60), Oct. 77.20 bid, Dec. 75.00 bid, March 75.00.

‡‡Barley—May 75.00 bid (77.80), July 78.10-78.30 (78.30-78.80), Oct. 78.30 bid, Dec. 77.40 bid, March 77.10.

§§Flaxseed—May 246.50 bid (249.00 bid), July 250.80-251.50 bid (253.80 asked), Oct. 255.50, Nov. 258.50, Dec. 256.50.

‖‖Wheat—SCWRS 13.5 per cent. protein content cif St. Lawrence 159.71 (161.27).

All cents per pound ex-warehouse unless otherwise stated. * $'s per troy ounce—100-ounce lots. † Chicago loose $s per 100 lbs—Dept. of Agriculture prices previous day. Prime steam fob NY bulk tank cars. ‡ Cents per 56-lb bushel ex-warehouse, 5,000-bushel lots. § $s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. ¶ Cents per troy ounce ex-warehouse. ‖ New "B" contract in $s a short ton for bulk lots of 100 short tons delivered fob cars Chicago, Toledo, St. Louis and Alton. ** Cents per 60-lb bushel in store. †† Cents per 34-lb bushel. ‡‡ Cents per 48-lb bushel ex-warehouse. §§ Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots. ‖‖ $C per tonne.

STOCK EXCHANGE REPORT

Equities rise late after uninspiring official trade

Share index 3.9 up at 469.6 but Gilt-edged unimpressive

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Apr. 17	Apr. 27	Apr. 28	May 10
May 2	May 11	May 12	May 23
May 15	May 25	May 26	Jun. 7

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Lethargic for most of the day, leading equities turned distinctly better in the late trade. Reasons for the upturn were difficult to pin-point, but the market's earlier resilience in the face of gloomy predictions on the economy had caused speculative comment about the build-up of potential investment funds.

Down 2.3 at 463.4 at the 11 a.m. calculation, the F.T. Industrial share index improved only gradually during the official trade but ended with a rise of 3.9 to 469.6. A good deal of the late movement reflected dealers' unwillingness to part with stock, unless at enhanced levels, in the prevailing thin trading conditions.

Second-line and situation stocks often generated pockets of resistance in the early trading and Furness Withy featured late following renewed talk that European Ferries, which made an abortive bid some while ago, was showing interest again, although this was officially denied later. Rises in F.T.-quoted Industrials led falls by five-to-two, while official markings, at 5,050, were below last Friday's figure of 5,406 but well above the 4,482 recorded on the first day of the previous Account.

Of the 46 groups and sub-sections of the F.T.-Actuaries indices only 10 recorded losses while Banks and Packaging and Paper registered above-average improvements, the latter helped by the view that export prospects would remain sound.

Gilts uncertain

Still concerned by the possibility of higher short-term interest rates, British Funds drifted lower in light trading before the longer-dated maturities derived encouragement from the trend in sterling and reverted to Friday's last levels. The shorts, however, made little recovery and displayed losses extending to ¼; increased U.S. interest rates were also a factor in the latter market. Both sectors were a shade easier after the official close following comment in foreign exchange markets that Minimum Lending Rate would have to be raised shortly in order to avoid a much larger increase later on.

Corporations were unsettled, recording falls ranging to ½, while Southern Rhodesian bonds moved in similar vein, the 2½ per cent. 1965-70 stock closing four points down at £55.

Traded optinos had a quiet day but the number of contracts done, at 434, was only slightly below the daily average of 447 recorded in the first full week of trading.

A large proportion of yesterday's business was accounted for by a big deal in the ICI 360 series. Markes and Spencer positions were quiet ahead of to-day's results. The price of the underlying equity shares pointed to the probability of a fourth series being created in Courtaulds.

Although business developed on a two-way basis, the investment currency market lacked inspiration and started post-holiday trade as it left off last week with the premium moving within a narrow range. After dipping to £109¾ per cent. and rallying to 110½ per cent., the closing level reverted to last Friday's close of 110 per cent. Yesterday's conversion factor was 0.6765 (0.6766).

Banks improve late

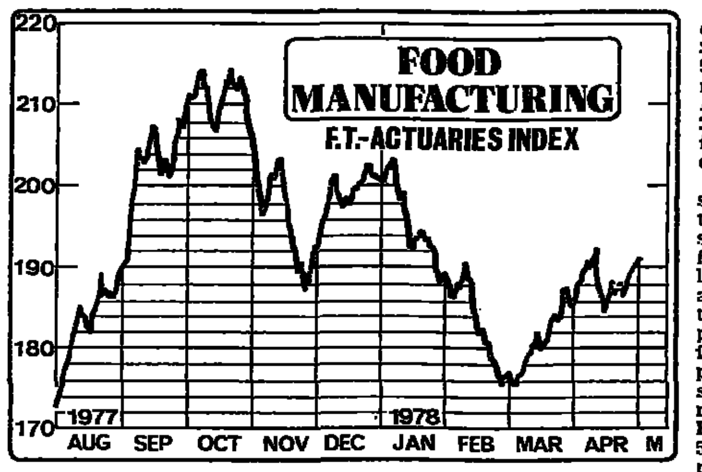
The major clearing Banks moved higher in the late dealings. **Midland** closed 9 to the good at 365p xd and **Lloyds** were 7 better at 275p, while **Barclays** ended 5 dearer at 345p and **NatWest** 4 up at 288p. Ahead of to-morrow's preliminary results, **National and Commercial** edged forward a peny to 75p. **Union** softened 5 to 300p among Discounts. Insurances finished with modest losses after a thin trade.

John Laing "A" advanced 16 to 149p following results above market expectations and the accompanying statement regarding the proposed hive-off of the major part of the company's property interests into a newly-formed and independent listed company. Elsewhere in Buildings, the improved terms agreed with **Hepworth Ceramic** prompted an immediate rise to 132p in **Johnson-Richard Tiles** which closed 7 up on balance at 128p. **Hepworth Ceramic** eased 3½ to 75p. **Pochins** continued to reflect the good first-half profits increase and jumped 14 more to 110p, while **Carron** put on 7 to 54p following demand in a thin market. Renewed speculative interest had **Brown and Jackson**, 83p, and **Phoenix Timber**, 158p, both around 3 better, while **Heywood Williams**, 107p, responded to Press comment following the U.S. acquisition from Hanson Trust. A Press mention also influenced **Royco** which firmed 2 to 39½p. Among the leaders, **AP Cement** improved 4 to 241p and **Richard Costain** 6 to 272p. **Ready Mixed Concrete**, 124p, held a rise of a couple of pence despite the chairman's pessimistic view of U.K. prospects.

ICI, after trading quietly, firmed 6 to 348p in the after-hours' dealings. **Anchor Chemical** continued to reflect satisfaction with the annual results and put on 6 to 76p xd while **Allied Colloids** advanced 3 more to 77½p on further small buying.

Brit. Home dip and rally

Leading Stores picked up smartly after-hours to close at the day's best. Initially down to 178p in reaction to the disappointing annual results, **British Home** rallied to finish unaltered at 184p. In front of to-day's preliminary figures, **Marks and Spencer** gained 3 to 149p, while **Mothercare**, results due tomorrow, were unchanged at 158p, after 154p. **Gussies A**, 290p, and **House of Fraser**, 149p xd, put on 2 and 4 respectively. Elsewhere, **Vernon Fashion** stood out with a rise of 8 to 98p in response to the doubled annual earnings and proposed 100 per cent. scrip issue and **Grattan**, at 117p, recorded a Press-inspired improvement of 3. **Allied Retailers** moved up 4 to 234p in a thin market while, reflecting the return to profitability and Press comment, **Maple** hardened a penny to 18p. An investment recommendation attracted buyers to **Hiltons Footwear** and the shares jumped 11 to 87p in a thin market. Elsewhere in Shoes, **George Oliver A** gained 6 to 46p.



EMI remained an unsettled market following recent talk of a broker's bearish circular in the pipeline, but after easing afresh to 142p the price picked up to close unaltered on balance at 145p. Among the other Electrical leaders, **GEC** closed 3 better at 248p. Elsewhere, fresh support was forthcoming for **Racal**, 6 to the good at 230p, while **Fidelity Radio** also attracted buyers at 85p, up 4, along with **Chloride**, 2 dearer at 105p.

Engineering leaders barely stirred until the late dealings when a slightly firmer trend developed. **GKN** ended 5 dearer at 279p and rises of 3 were marked against **J. Brown**, 321p, and **Vickers**, 179p. Scattered buying interest was evident in second-line issues. Week-end Press mention left **Matthew Hall** 4 better at 207p and **WGI** a similar amount higher at 104p, while **Weeks Associated**, 36p, and **Manganese Bronze**, 82p, both put on 3 for a similar reason. Occasional support prompted rises of around 4 in **British Steam Specialties**, 83p, **Mining Supplies**, 78p, and **Adwest**, 244p. **Haden Carrier** held steady at 99p awaiting to-day's preliminary results.

Fading bid hopes prompted further selling of **J. Bibby** which reacted afresh to 233p before settling at 234p for a loss of 6 on the day. Elsewhere in Foods, **Robertson** picked up 3 to 134p, while in front of to-day's preliminary results, **J. Sainsbury** firmed 2 to 172p. Rises of 2 were also recorded in **Morgan Edwards**, 37p, and **Kwik Save**, 78p. Among Hotels and Caterers, **Prince of Wales** responded to the annual results with a rise of 10 at 150p.

Quietly dull for most of the day, miscellaneous Industrial leaders took a distinct turn for the better after the official, 3.30 p.m., close and ended with double-figure gains in places. With the help of week-end Press comment, **Glaxo** rose 15½ to 551p xd, while **Beecham**, a subject of adverse comment, ended 10 dearer at 650p. **Unilever** added 8 at 514p and **Reed International** 6 at 124p; the latter's partner in the Stanger pulp and paper mill in South Africa has pulled out of the joint venture and has agreed to pay Reed more than £10m. compensation. **Boots** put on 4 to 211p as did **Turner and Newall**, to 173p, while **Metal Box** ended a like amount dearer at 306p following news of the company's planned acquisition of a 75 per cent. stake in a Californian beverage can manufacturing company. Elsewhere, **Marshall's Universal** rose 10 to 166p on buying in anticipation of to-day's annual results and **Wilson Walton** gained 5 to 70p with the help of an investment recommendation. **Readfearn National Glass** moved up 5 more to 325p on fresh speculative buying ahead of the forthcoming Monopolies Commission's report on whether or not the outstanding bids from Rockware and United Glass can go ahead. **A. Arenson** put on 5 to 50p following the sharply higher first-half earnings. Renewed speculative buying on bid hopes left **Vinten** up 5 at 106p, while **Barco Dean** saw support at 70p, up 6. By way of contrast, **Hawton** shed 1¼ to 12¾p on disappointment with company's failure to pay a dividend.

A fair amount of interest was shown in the Motor sections. Among Garages and Distributors, **T. C. Harrison** found support at 119p, while **Wadham Stringer** responded to the annual results with a rise of 2½ to 42½p. Still reflecting the cheerful tenor of the chairman's annual statement, **Lex Service** firmed 2 more to 83½p. In contrast, scattered offerings left **Glanfield Lawrence** 2 cheaper at 31p and **Western Motor** a similar amount down at 90p. In Components, **Supra Group** were noteworthy for a gain of 4½ to 53pxd, while **Turner Manufacturing**, up 4 at 109p, reflected occasional buying interest.

Newspapers and kindred trades closed firmer for choice. North Sea oil favourite **Thomson** gained 5 to 230p, while similar improvements were seen in **Mills and Allen**, 185p, and **McCorquodale**, 247p. **British Printing** edged forward 2 to 53p following the chairman's annual review.

Properties passed another quiet session in which a slightly firmer tone developed. Amongest secondary issues, **Dares Estates** firmed 2½ to 18p ahead of preliminary results due Thursday and **McInerney** rose 6 to 45p in a thin trade. **Marler Estates** improved 2 more to 30p on the offer from Blade Investments of 25p per share, but **Peachey** eased slightly to 79p in front of tomorrow's trading statement. **Haslemere**, 220p, and **Hammerson**, 535p, both added a couple of pence, but **Apex** shed 4 to 200p.

Siebens firm again

Siebens U.K. continued to respond to recent Press comment and firmed 14 more to 324p. **British Petroleum** passed a quieter session than of late and eased 6 to 794p, but **Shell** remained a firm market and closed 8 up at 560p. **Lasmo** improved in late dealings to finish 8 higher at 188p and favourable Press comment left **Ultramar** 4 better at 262p. In contrast, **KCA International** eased 1½ to 29p on further consideration of the bid approach from Mr. Travis Ward.

Among Overseas Traders, **Boustead** were a late bright spot at 39p, up 4 in response to the annual results.

Revival of an old rumour that European Ferries is about to launch another bid for **Furness Withy** sparked off a speculative flurry in the latter which rose sharply to touch 280p before easing on the denials from both parties to close 19 higher on the day at 268p. Associated concern **Fashion and General** gained 10 to 130p in sympathy but E.F. relinquished 4 to 116p. This apart, Shippings were featureless with **P and O Deferred** a penny dearer at 100p in front of to-day's preliminary results.

Financial Trusts closed firmer in places. **Dawnay Day** hardened 2 to 36½p and **Akroyd and Smithers** were 3 to the good at 225p the latter's half-yearly results are due next Wednesday.

Textiles enjoyed a fairly lively session. Speculative demand pushed **SEET** up 6 to 5p and **Sirdar** 5 to 71p, while favourable Press mention stimulated demand for **Carpets International**, 4½ to the good at 49p, and **Dawson International "A,"** 2 dearer at 113p. **Scott and Robertson** closed 4½ dearer at 41p following the results and the announcement that the company had rejected an offer of 40p per share from Fairbairn Lawson. **Stroud Riley** were favoured at 32p, up 3, along with **Tricoville**, which firmed a similar amount to 65p.

South African Industrials to make headway included **Greatermans "A,"** 8 higher at 138p, and **O.K. Bazaars**, 10 to the good at 340p.

Guthrie rose 6 to 270p among Rubbers where **Sungei Krian** closed 3 better at 61p ex the scrip issue and capital reorganisation.

Northgate group up

Interest in mining markets was generally minimal with the notable exception of the Irish/Canadian section where the **Northgate** group of companies continued to attract speculative interest. **Northgate** themselves rose 20 to 370p, **Anglo United Development** 10 to 134p and **Westfield Minerals** 7 to 87p, all reflecting Anglo United uranium exploration hopes in County Donegal.

Tara Exploration, also associated with the Northgate group, climbed £1¾ to a 1978 high of £11. **Barymin** put on 3 to 57p following Press mention.

The recent firmness of South African Golds was reversed owing to the downturn in the bullion price, which was finally $1.50 lower at $169.125 per ounce.

Prices were marked down at the outset of trading and thereafter drifted on lack of interest to close at the day's lowest levels. The Gold Mines index gave up 3.3 to 144.4.

Among the heavyweights **Western Holdings** dropped ¾ to £17 ex-dividend, while **Randfontein** fell ½ to £34. In the lower-priced issues **Libanon** were 15 off at 452p, while the marginal **Loraine** closed 9½ down at 84p.

Platinums again reflected modest Cape buying with **Rustenburg** 2 firmer at 76p and **Lydenburg** a penny harder at 59p. In Financials, buying from the same source lifted **Anglo-Vaal** 20 more to equal their 1978 high of 700p.

De Beers were quietly firm throughout the day and closed 4 better at 340p. London-registered Financials, however, were featureless.

Pancontinental were prominent in an otherwise mixed Australians section; a sharp rise in overnight Sydney and Melbourne markets was followed by persistent London buying which left the shares a point higher at a 1978 high of £11½. **Ocean Resources** hardened 2 to 21p in response to speculative support.

On the other hand, profit-takin left **Hampton Areas** 5 cheaper 128p. Base-metal producers lo ground with **Bougainville** 2 eas at 103p. **North Broken Hill** th same amount down at 108p an **MIM Holdings** 3 lower at 181p.

Elsewhere, a further speculati demand saw **Burma Mines** gain more at a high of 15p.

FINANCIAL TIMES STOCK INDICES

—	May 2	Apr. 28	Apr. 27	Apr. 26	Apr. 25	Apr. 24	A year ago
Government Secs.	71.27	71.28	71.22	71.24	71.47	71.88	69.46
Fixed Interest	73.81	74.57	74.33	74.47	74.79	75.06	69.66
Industrial Ordinary	469.6	465.7	467.8	457.8	460.7	460.4	428.0
Gold Mines	144.4	147.7	145.2	141.4	135.3	136.2	118.5
Ord. Div. Yield	5.72	5.77	5.75	5.87	5.85	5.85	5.37
Earnings Y'ld%(full)(*)	17.23	17.39	17.10	17.46	17.29	17.44	16.45
P/E Ratio (net)(*)	7.76	7.69	7.86	7.70	7.78	7.76	8.95
Dealings marked	6,050	5,406	4,727	5,110	4,944	4,382	6,483
Equity turnover £m.	—	87.80	82.58	66.70	70.50	54.13	58.15
Equity bargains total	—	16,941	16,415	14,098	13,757	12,632	16,319

10 a.m. 464.0. 11 a.m. 463.4. Noon 464.1. 1 p.m. 464.3.
2 p.m. 464.3. 3 p.m. 464.4.

* Based on 52 per cent. corporation tax; Nil=7.62.

Latest Index 01-246 8026.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1978 High	1978 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	78.58 (3/1)	71.22 (27/4)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1)	73.81 (2/5)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	497.5 (6/1)	433.4 (2/3)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	168.6 (8/3)	130.3 (5/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	May 2	Apr. 28
—Daily		
Gilt-Edged	159.3	168.9
Industries	179.8	198.0
Speculative	46.0	35.9
Totals	114.9	123.0
5-day Average		
Gilt-Edged	160.5	164.2
Industrials	176.0	189.1
Speculative	39.6	36.9
Totals	114.9	111.8

NEW HIGHS AND LOWS FOR 1978

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978.

NEW HIGHS (168)

LOANS (1)
AMERICANS (23)
CANADIANS (2)
BANKS (4)
BEERS (3)
BUILDINGS (6)
CHEMICALS (2)
DRAPERY & STORES (9)
ELECTRICALS (7)
ENGINEERING (16)
FOODS (2)
HOTELS (3)
INDUSTRIALS (30)
INSURANCE (1)
MOTORS (6)
NEWSPAPERS (1)
PAPER & PRINTING (3)
PROPERTY (3)
SHOES (1)
SOUTH AFRICANS (2)
TEXTILES (6)
TRUSTS (15)
OILS (6)
OVERSEAS TRADERS (4)
RUBBERS (5)
TEAS (3)
MINES (4)

NEW LOWS (12)

ENGINEERING (1)
Bronx Eng.
FOODS (1)
Low (Wm.)
INDUSTRIALS (5)
Brady Inds.
Portals
Cole (R. H.)
Wilkins & Mitch
Lep Group
MOTORS (1)
Zenith A
PROPERTY (2)
Apex Props.
U.K. Prop.
TRUSTS (1)
Investment Co.
OVERSEAS TRADERS (1)
African Lakes

RISES AND FALLS YESTERDAY

	Up	Down
British Funds	4	17
Corpns., Dom. and Foreign Bonds	5	16
Industrials	511	204
Financial and Prop.	147	65
Oils	14	5
Plantation	14	5
Mines	28	45
Recent Issues	5	3
Totals	728	360

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr. 25	May 9	July 20	Aug. 1
May 10	May 22	Aug. 3	Aug. 17
May 23	Jun. 6	Aug. 17	Aug. 31

For rate indications see end of Share Information Service

Stocks favoured for the call included Britannia Arrow, C. E. Heath, Chaddesley Investments, London Brick, Valor, Paci Copper, Tarmac, F. G. Gate Royco, Parkland "A," Peache Property, Grand Metropolit W. E. Norton, French Kie Belhaven Brewery and Rac Electronics. Puts were arrange in Phoenix Timber, J. Lyons, a Racal Electronics, while doub options were transacted in KC International, Furness With GEC and Consolidated Go Fields.

APPOINTMENTS

Chairman change at Bentalls

Mr. James Spooner, deputy chairman of BENTALLS, takes over as chairman after the annual meeting on May 25. Mr. Rowan Bentall retires as chairman and joint managing director on that date and will become president. Mr. Edward Bentall, at present joint managing director, will then become managing director.

★

Sir James Schuster, Mr. S. A. Thorpe and Mr. J. Weldon have retired and Mr. R. R. Bartteiot, Mr. A. W. R. Burton and Mr. W. Hargreaves have joined the partnership of SHEPPARDS AND CHASE, stockbrokers.

★

Mr. R. W. Walter has retired as senior partner from WALTER WALKER AND COMPANY, stockbrokers. He remains as a consultant. Mr. R. J. B. Yeldham is now senior partner.

★

Mr. George Cantlay, senior partner of LYDDON AND COMPANY, stockbrokers, has retired but remains a consultant to the firm. Mr. Glynne Clay has relinquished his partnership but continues with the firm as an associate member. Mr. Griffith Philipps and Mr. Rupert Miles, from the Swansea office, become partners.

★

Mr. Michael C. Manisty will join the partnership of WESTLAKE AND COMPANY, stockbrokers of Plymouth, on May 8.

Mr. K. S. Bavin has retired from the partnership with LAURIE MILBANK AND COMPANY, stockbrokers, and Mr. I. K. Ling and Mr. G. D. Galer have joined the partnership.

★

Mr. Brian Botten has been appointed managing director of FINTEL, the Financial Times and Extel joint venture company set up to provide business information services by electronic transmission to U.K. and international markets. Mr. Botten was formerly business and viewdata information services manager of Extel. He remains a non-executive director of Extel Computing.

★

Mr. P. E. Probert is to become company secretary and chief accountant of the BRITISH AVIATION INSURANCE COMPANY on August 1 and Mr. R. A. Sims will be administration manager from that date. Mr. R. Gill, company secretary, retires at the end of July.

★

Mr. Edmund R. Gibbs has been elected president of the ASSOCIATION OF CERTIFIED ACCOUNTANTS. Mr. Amory Pakenham-Walsh has become deputy president and the new vice-president is Miss Vera J. Di Palma, the first woman to hold that appointment.

★

Mr. W. J. McMichael-Phillips is to become general manager of the milk group of the CO-OPERATIVE WHOLESALE SOCIETY next month. He succeeds Mr. Gordon Walker, who is now in charge of the provisions group. Mr. Charles Lynch has been named general manager of the stationery and packaging group and takes over during this month from Mr. Bill Jones, who has left for an appointment outside the Co-operative movement.

TANN-SYNCHRONOME has made four appointments to its Board: Mr. Ken Grover (production), Mr. Bob Munro (international sales), Mr. Bruce Dawson (technical) and Mr. Bob Washbourne (access control division). Mr. Jeff Penny is now national field sales manager and Mr. Colin Wilson, regional sales manager, London area.

★

UNITED GAS INDUSTRIES has made the following appointments to the Boards of two of its subsidiaries. Teddington Appliance Controls: Mr. C. G. Pascoe (sales), Mr. T. C. Cliff (technical), Mr. D. C. Craggs (production) and Mr. G. Mills (engineering). Teddington Industrial Equipment: Mr. A. Sunnick (sales), Mr. J. Searle (production) and Mr. M. S. Clark (finance).

★

Mr. Ian Robertson has been appointed to the newly-created position of managing counsel of the European division of the SINGER COMPANY. He is based in London

★

Mr. Louis Mallet has been appointed personnel director of FOXBORO EUROPE. He was previously with the Carrier Corporation.

★

Mr. L. G. Alyes has been appointed financial director of TI REYNOLDS.

★

Major General John Strawson, who has been head of the Cairo office of WESTLAND HELICOPTERS for the last two years, has been appointed to set up Westland's NATO liaison office, with special regard to European collaborative programmes.

★

Mr. S. M. Kimpton has been appointed chairman of the COMMERCIAL BANK OF AUSTRALIA group in place of Sir Thomas Webb, who has retired. Mr. J. S. Balderstone becomes deputy chairman.

★

Mr. Norman W. G. Allan has been appointed a director of BELL AND SIME.

★

Mr. M. D. Stigner has been appointed a director of UDISCO BROKERS (STERLING).

★

Sir Hugh Ford, professor of mechanical engineering at Imperial College, has been elected a non-executive director of RICARDO AND COMPANY ENGINEERS (1927).

★

Mr. Roger King has been appointed financial controller of CASTELL LOCKS.

★

Mr. Stanley H. Brain has been appointed president of the LIGHTING INDUSTRY FEDERATION for 1978-79

★

Mr. D. R. Poole has been appointed adirector of ESTATES PROPERTY INVESTMENT COMPANY.

★

Mr. J. M. Holt has joined the Board of DUCTILE STEEL STOCKISTS and continues as company secretary. Mr. Edward Gillick has also been appointed to the Board as sales director.

Mr. J. A. Williams has been appointed by the DUTTON-FORSHAW GROUP as director for industrial relations and consumer affairs.

★

Mr. Peter McGrath, who was recently appointed managing director of BL COMPONENTS, has joined the BL Advisory Board.

★

Mr. T. M. Hearley and Mr. J. S. Sandilands have been appointed to the Board of RICHARD GRENVILLE.

★

Mr. P. G. Lowe has been elected president of the ELECTRICAL CONTRACTORS' ASSOCIATION for 1978-79 and takes over from Mr. Charles Brown on May 8 at the annual conference. Mr. David Pitts will continue as a vice-president and Mr. A. B. Ford will become a vice-president.

★

Mr. John L. Kirkpatrick, immediate past-president of the INSTITUTE OF CHARTERED ACCOUNTANTS OF SCOTLAND, has been appointed one of the representatives of the U.K. and Ireland on the International Accounting Standards Committee, succeeding Mr. A. I. Mackenzie.

★

Mr. I. F. Scott has been appointed assistant managing director of TRANSFLEET SERVICES.

★

Mr. Richard Kisby has been appointed commercial director of PETTY AND SONS, a subsidiary of the British Printing Corporation.

★

Mr. J. J. Layson has been appointed chief executive and general manager of the London branch of the BANQUE POUR LE COMMERCE CONTINENTAL. He was formerly assistant general manager of Moscow Narodny Bank.

★

Mr. Eric Machell has been elected managing director and Mr. Peter Davison, deputy managing director, of the DAVUM STEEL COMPANY in London. Mr. Michael de Bellissen, former managing director, remains on the Board, while taking up a new appointment at Daval, Paris.

★

Mr. Colin P. Bolton has joined the Board of BARPOINT.

★

Mr. B. A. Atkins has been appointed marketing director of ELEY, a member of Imperial Metal Industries group. He succeeds Mr. R. M. Van Oss who has relinquished his post as sales director to join the Game Conservancy as director designate next year. Mr. Van Oss becomes director responsible for special projects at Eley while Mr. Atkins will be in charge of combined sales and marketing throughout the world.

★

Mr. Gwynne Essenbigh and Mr. Patrick Nicklin have been appointed managing directors, respectively of the air cast and the special products divisions of the DERITEND GROUP.

★

Mr. J. B. Horner has been appointed assistant chief executive of HARTLE MACHINERY INTERNATIONAL.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978 high	1978 low
ICI	£1	9	348	+ 6	365	328
Shell Transport	25p	8	560	+ 8	560	484
Trnr. & Nwll. New	Nil/pd.	8	16pm	—	20pm	11pm
Beecham	25p	7	650	+10	678	583
BP	£1	7	794	− 6	864	720
De Beers Defd.	R0.05	7	340	+ 4	354	285
GUS "A"	25p	7	290	+ 2	312	256
LASMO	25p	7	188	+ 8	190	134
Royal Insurance	25p	7	383	− 2	425	346
BATs Defd.	25p	6	265	+ 2	269	227
EMI	50p	6	145	—	190	141
Grand Metrop.	50p	6	108	+ 1	109	87
GKN	£1	6	279	+ 5	282	255
Marks & Spencer	25p	6	149	+ 3	160	136
Nthrn. Engineerg.	25p	6	101xd	—	105	84

LONDON TRADED OPTIONS

Option	Ex'rcise price	July Closing offer	July Vol.	October Closing offer	October Vol.	January Closing offer	January Vol.	Equity close
BP	750	70	1	90	5	104	—	793p
BP	800	39	3	58	5	72	5	"
Com. Union	140	13½	—	17½	—	20½	—	145p
Com. Union	160	4½	2	8½	—	11	—	"
Cons. Gold	160	20	—	27	3	39	—	171p
Cons. Gold	180	10	—	16	—	18	—	"
Courtaulds	100	21½	41	22	46	23	18	120p
Courtaulds	110	12½	7	14¾	12	16½	10	"
Courtaulds	120	8	14	10½	7	12½	1	"
GEC	220	34	9	39½	—	46	—	247p
GEC	240	19½	—	26½	—	34	—	"
GEC	260	9¾	24	17½	—	23½	7	"
Grand Met.	100	15	5	17	1	19	8	107p
Grand Met.	110	8	8	10¼	2	13½	—	"
ICI	330	26½	2	31	51	37	9	343p
ICI	360	11½	33	17	10	22½	8	"
Land Secs.	180	20	—	24½	—	28½	15	192p
Land Secs.	200	8½	10	14	—	18½	—	"
Marks & Sp.	140	14	6	18	11	20½	5	147p
Marks & Sp.	160	4½	3	9	—	12½	5	"
Shell	500	69	—	79	—	87	3	656p
Shell	550	31	6	44	7	55	6	"
Totals			174		160		100	

RECENT ISSUES

EQUITIES

Issue Price p‡	Amount Paid Up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price p‡	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
105	F.P.	26/4	138	118	Saga Holidays	138	+2	6.75	2.2	7.4	9.3

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price £	+ or −
¶¶	F.P.	—	95p	91p	Amal. Inds. 10.6% 2nd. Prf.	95p	+1
$100	F.P.	—	$99¾	$99½	Amer. Express Int Fin. Variable '82	$99¾	.....
100p	F.P.	20.5	110p	109p	Armitage (G.) 10½% 2nd Cum. Pref.	110p	.....
100	F.P.	—	101½p	100p	Brittains 9% Conv. Cum. Red. 2nd Pref.	101½p	+1½
¶¶	Nil	—	27½	27	[illegible] 10% 1st. Mort. '79-84	27	.....
£99	£10	25/8	9¼	8⅞	Greenwich (Lon. Boro. of) 11½% Red. 1986	8⅞	—
—	F.P.	28/4	103p	101p	Jenks & Cattell 10% Cum. Pref.	101p	−2
—	F.P.	9/6	103p	102p	Menzies (J.) 9% Cum. Pref.	102p	.....
¶	F.P.	28/7	102¼	102	Mid-Sussex Water 7% Red. Pref. 1983	102	.....
¶¶	F.P.	9/6	106	97	Talbex 11½% Cnv. Uns. Ln. 79-85	98½	.....
£98	£25	8/6	25½	24	York Water 11% Deb. 1988	24½	+½

"RIGHTS" OFFERS

Issue Price p‡	Amount Paid Up	Latest Renunc. Date		1978 High	1978 Low	Stock	Closing Price p‡	+ or −
50	F.P.	3/5	31/5	126	112	Bullough	120	.....
180cts	Nil	—	—	2pm	Nil	Doelkraal Gold Mining	2pm	.....
105	Nil	5/5	19/5	30pm	25pm	London & Manchester Assurance	28pm	−1
30	Nil	15/5	9/6	22½pm	12½pm	Supra	22½pm	+3
152	Nil	16/5	13/6	20pm	11pm	Turner & Newall	16pm	.....
62	F.P.	29/4	10/5	89	78	[illegible]	89	.....

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. u Assumed dividend and yield. s Forecast dividend; cover based on previous year's earnings. r Dividend and yield based on prospectus or other official estimates for 1979. u Gross. † Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of Ordinary shares as a "rights." ** Rights by way of capitalisation. †† Minimum tender price. ‡‡ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former Preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants.

FT—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

		Tues., May 2, 1978 Index No.	Day's Change %	Est. Earnings Yield% (Max.) Corp. Tax 52%	Gross Div. Yield% (ACT at 34%)	Est. P/E Ratio (Net.) Corp. Tax 52%	Tues. May 2 Index No.	Thurs. Apr. 27 Index No.	Wed. Apr. 26 Index No.	Tues. Apr. 25 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (170)	205.72	+0.3	17.87	5.78	7.81	205.13	204.50	201.04	202.20	[illegible]
2	Building Materials (27)	183.98	+0.1	18.08	5.90	7.92	183.76	182.40	179.51	180.59	[illegible]
3	Contracting, Construction (26)	326.23	—	18.83	4.10	7.88	326.14	320.90	313.15	314.10	[illegible]
4	Electricals (15)	434.42	+0.8	16.00	4.08	8.96	430.99	433.44	422.21	424.88	[illegible]
5	Engineering Contractors (14)	299.13	−0.4	19.28	6.80	6.82	300.47	296.74	293.95	294.93	[illegible]
6	Mechanical Engineering (71)	163.76	−0.1	19.26	6.37	7.07	163.89	163.76	162.17	163.28	[illegible]
8	Metals and Metal Forming (17)	166.61	+0.8	17.01	8.42	7.92	165.27	164.41	162.10	163.03	[illegible]
	CONSUMER GOODS										
11	(DURABLE) (52)	191.20	+0.4	17.64	4.97	8.13	190.50	188.62	185.58	186.54	[illegible]
12	Lt. Electronics, Radio TV (15)	226.67	+0.9	15.48	3.79	9.29	224.74	220.37	217.84	219.21	[illegible]
13	Household Goods (12)	171.21	+0.2	16.67	6.59	8.34	170.91	169.90	167.75	168.96	[illegible]
14	Motors and Distributors (25)	119.79	−0.3	21.16	6.39	6.79	120.19	120.64	117.78	118.12	[illegible]
	CONSUMER GOODS										
21	(NON-DURABLE) (176)	199.74	+0.6	16.09	5.81	8.55	198.55	198.69	195.46	196.64	[illegible]
22	Breweries (14)	227.04	+0.1	14.38	5.86	10.53	226.83	227.78	220.43	222.11	[illegible]
23	Wines and Spirits (6)	258.36	+1.0	15.66	5.58	9.69	255.69	256.25	252.63	253.77	[illegible]
24	Entertainment, Catering (17)	251.81	+0.5	14.01	6.77	10.33	250.62	253.92	249.93	252.10	[illegible]
25	Food Manufacturing (22)	190.71	+0.2	21.35	5.66	6.51	190.39	189.04	186.98	188.58	[illegible]
26	Food Retailing (16)	192.48	+0.3	14.39	4.80	10.03	191.97	190.52	189.22	191.16	[illegible]
32	Newspapers, Publishing (13)	365.06	+1.1	11.10	3.39	13.02	360.99	363.89	350.29	349.33	[illegible]
33	Packaging and Paper (15)	133.69	+1.7	19.80	8.86	7.15	131.50	131.30	129.20	129.88	[illegible]
34	Stores (39)	184.77	+0.9	10.75	4.34	13.65	183.08	183.43	180.79	182.30	[illegible]
35	Textiles (25)	181.05	+1.1	20.35	7.38	5.96	179.13	176.97	173.06	173.34	[illegible]
36	Tobaccos (3)	238.57	—	23.17	7.85	5.13	238.57	239.95	237.47	236.97	[illegible]
37	Toys and Games (6)	96.30	+0.8	20.99	6.22	6.39	95.54	95.54	96.30	96.44	[illegible]
41	OTHER GROUPS (97)	187.45	+0.7	17.09	6.02	7.72	186.17	185.66	183.14	183.75	[illegible]
42	Chemicals (19)	255.38	+1.2	19.74	6.78	6.92	252.45	252.36	249.71	249.58	[illegible]
43	Pharmaceutical Products (7)	251.32	+1.3	11.23	4.06	11.27	248.19	246.13	242.64	244.25	[illegible]
44	Office Equipment (6)	128.24	+0.5	18.92	5.04	6.25	127.56	127.41	126.59	127.01	[illegible]
45	Shipping (10)	432.93	+0.2	20.69	7.21	5.80	432.18	429.77	417.82	415.36	[illegible]
46	Miscellaneous (55)	196.62	—	17.02	6.48	7.99	196.71	196.46	194.36	194.94	[illegible]
49	INDUSTRIAL GROUP (495)	204.25	+0.5	16.87	5.80	8.12	203.17	202.80	199.61	200.66	[illegible]
51	Oils (5)	471.67	+0.3	15.63	4.20	6.94	470.14	469.37	461.24	463.18	[illegible]
59	500 SHARE INDEX	226.47	+0.5	16.68	5.55	7.92	225.35	224.94	221.35	222.48	[illegible]
61	FINANCIAL GROUP (100)	161.64	+0.1	—	5.71	—	161.41	160.32	158.52	160.35	[illegible]
62	Banks (6)	195.10	+1.7	24.43	5.53	6.20	191.84	191.00	188.60	191.08	[illegible]
63	Discount Houses (10)	195.67	−0.9	—	8.58	—	197.38	197.08	193.75	193.87	[illegible]
64	Hire Purchase (5)	140.86	−0.1	13.89	5.68	10.66	140.94	141.94	138.83	143.37	[illegible]
65	Insurance (Life) (10)	133.22	—	—	6.83	—	133.19	131.24	129.52	130.06	[illegible]
66	Insurance (Composite) (7)	124.22	−0.9	—	6.87	—	125.36	125.01	123.34	125.37	[illegible]
67	Insurance Brokers (10)	333.94	−0.5	14.50	4.39	9.99	335.69	329.69	324.98	323.91	[illegible]
68	Merchant Banks (14)	77.59	—	—	6.21	—	77.62	76.64	75.87	76.71	[illegible]
69	Property (31)	212.75	−0.4	3.17	3.26	61.01	213.53	212.20	211.38	214.39	[illegible]
70	Miscellaneous (7)	106.48	+0.2	24.54	7.45	5.64	106.31	105.29	105.26	105.48	[illegible]
71	Investment Trusts (50)	202.54	+0.1	3.26	4.74	30.67	202.31	202.45	202.18	201.76	[illegible]
81	Mining Finance (4)	90.81	−1.3	18.20	7.58	6.73	92.04	92.32	91.70	92.14	[illegible]
91	Overseas Traders (19)	308.92	−0.3	15.40	6.37	8.08	309.72	305.79	302.39	299.51	[illegible]
99	ALL-SHARE INDEX (673)	209.23	+0.4	—	5.60	—	208.45	207.90	204.94	206.07	[illegible]

FIXED INTEREST PRICE INDICES

	British Government	Tues. May 2	Day's change %	xd adj. To-day	xd adj. 1978 to date
1	Under 5 years	106.34	−0.07	—	3.33
2	5-15 years	116.43	+0.02	—	2.87
3	Over 15 years	119.85	+0.02	—	4.97
4	Irredeemables	131.11	—	—	6.08
5	All stocks	113.54	−0.02	—	3.78

FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.

			Tues. May 2	Tues. May 2	Year ago (approx.)
1	Low	5 years	8.44	8.43	[illegible]
2	Coupons	15 years	10.84	10.84	[illegible]
3		25 years	11.36	11.36	[illegible]
4	Medium	5 years	10.65	10.61	[illegible]
5	Coupons	15 years	12.21	12.21	[illegible]
6		25 years	12.30	12.29	[illegible]
7	High	5 years	10.99	10.94	[illegible]
8	Coupons	15 years	12.57	12.57	[illegible]
9		25 years	13.00	12.98	[illegible]
10	Irredeemables		11.07	11.07	[illegible]

		Tuesday, May 2 Index No.	Tuesday, May 2 Yield %	Friday April 28	Thurs. April 27	Wed. April 26	Tues. April 25	Mon. April 24	Friday April 21	Thurs. April 20	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	58.45	12.70	58.52	58.54	58.54	58.54	58.54	58.56	58.59	[illegible]
16	Investment Trust Prefs. (15)	54.84	12.92	54.84	54.80	54.75	54.61	54.61	54.61	54.61	[illegible]
17	Coml. and Indl. Prefs. (20)	70.81	12.92	71.01	70.98	71.01	71.01	70.84	70.84	70.84	[illegible]

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 22p.

INSURANCE, PROPERTY, BONDS

General Portfolio Life Ins. C. Ltd.♥
60 Bartholomew Ct., Waltham Cross. WX31971

Portfolio Fund	132.0		.....	—
Portfolio Capital	41.7	47.8	.....	—

Gresham Life Ass. Soc. Ltd.
2 Prince of Wales Rd., B'mouth. 0202 767655

G.L. Cash Fund	95.8	100.8	.....	—
G.L. Equity Fund	100.6	105.9	.....	—
G.L. Gilt Fund	109.1	114.8	.....	—
G.L. Intl. Fund	112.4	118.3	.....	—
G.L. Ppty. Fund	95.8	100.8	.....	—

Growth & Sec. Life Ass. Soc. Ltd.♥
Weir Bank, Bray-on-Thames, Berks. Tel. 34284

Flexible Finance		£1,081	.....	—
Landbank Secs.		56.11	.....	—
Landbank Secs. Acc	117.7	120.9	.....	—
G. & S. Super Fd.		£8.0710	.....	—

Guardian Royal Exchange
Royal Exchange, E.C.3. 01-283 7107

Property Bonds	174.4	181.6	.....	—

Hambro Life Assurance Limited ♥
7 Old Park Lane, London, W1 01-499 0031

Fixed Int. Dep.	124.4	131.0	.....	—
Equity	167.2	176.0	.....	—
Property	160.2	168.7	.....	—
Managed Cap	134.0	141.1	.....	—
Managed Acc	165.2	173.9	.....	—
Overseas	115.3	121.4	.....	—
Gilt Edged	122.6	129.1	.....	—
American Acc.	—	—	.....	—
Pen.F.I.Dep.Cap.	127.0	133.7	.....	—
Pen.F.I.Dep.Acc.	147.3	155.1	.....	—
Pen. Prop. Cap.	201.4	212.0	.....	—
Pen. Prop. Acc.	258.0	271.6	.....	—
Pen. Man. Cap.	200.3	210.9	.....	—
Pen. Man. Acc.	256.5	270.1	.....	—
Pen. Gilt Edg. Cap.	120.4	126.8	.....	—
Pen. Gilt Edg. Acc.	126.1	132.8	.....	—
Pen. B.S. Cap.	123.4	129.6	.....	—
Pen. B.S. Acc.	139.8	146.8	.....	—
Pen. D.A.F. Cap.		101.2	.....	—
Pen. D.A.F. Acc.		102.1	.....	—

Hearts of Oak Benefit Society
15-17, Tavistock Place, WC1H 9SM 01-387 5020

Hearts of Oak	36.2	38.2	.....	—

Hill Samuel Life Assur. Ltd.♥
NLA Twr., Addiscombe Rd., Croy. 01-686 4355

♦Property Units	151.0	158.6	.....	—
Property Series A	100.0	105.3	.....	—
Managed Units	161.7	170.2	+0.8	—
Managed Series A	95.5	100.5	+0.4	—
Managed Series C	93.7	98.6	+0.4	—
Money Units	119.4	125.7	.....	—
Money Series A	96.6	101.7	.....	—
Fixed Int. Ser. A	92.5	97.4	+0.2	—
Pns. Mgd. Cap.	138.5	145.8	.....	—
Pns. Mgd. Acc.	145.5	153.2	.....	—
Pns. Gtd. Cap.	104.9	110.5	.....	—
Pns. Gtd. Acc.	110.2	116.0	.....	—

Imperial Life Ass. Co. of Canada
Imperial House, Guildford. 71255

Growth Fd. Apr. 28	70.1	76.2	.....	—
Pens. Fd. Apr. 28	63.7	69.2	.....	—

Unit Linked Portfolio

Managed Fund	93.9	98.8	.....	—
Fixed Int. Fd.	95.2	100.2	.....	—
Secure Cap. Fd.	95.4	100.4	.....	—

NPI Pensions Management Ltd.
48, Gracechurch St., EC3P 3HH. 01-623 4200

Managed Fund	146.1	152.2	.....	—

Prices May 3. Next dealing June 1.

New Zealand Ins. Co. (U.K.) Ltd.♥
Maitland House, Southend SS1 2JS 0702 62955

Kiwi Key Inv. Plan	152.4	136.5	.....	—
Small Co's Fd.	99.4	104.6	−0.5	—
Technology Fd.	102.6	108.0	+0.6	—
Extra Inc. Fd.	97.8	102.9	−0.3	—
American Fd.	106.0	111.6	+2.8	—
Far East Fd.	102.8	108.2	−0.5	—
Gilt Edged Fd.	102.7	108.1	.....	—
Con. Deposit Fd.	95.8	100.8	.....	—

Norwich Union Insurance Group
PO Box 4, Norwich NR1 3NG. 0603 22200

Managed Fund	203.8	214.5	+0.3	—
Equity Fund	325.7	342.8	+1.0	—
Property Fund	124.1	130.6	.....	—
Fixed Int. Fund	148.9	156.2	.....	—
Deposit Fund	104.9	110.4	.....	—
Nor. Unit. Apr. 15		191.2	.....	—

Phoenix Assurance Co. Ltd.
4-5, King William St., EC4P 4HR. 01-626 9876

Wealth Ass.	108.6	114.4	.....	—
Eb'r. Ph. Ass.		74.8	+2.0	—
Eb'r. Ph.Eq.E.	71.5	75.1	.....	—

Prop. Equity & Life Ass. Co.♥
119, Crawford Street, W1H 2AS. 01-486 0857

R. Silk Prop. Bd.		175.6	.....	—
Do. Equity Bd.		70.0	.....	—
Flex Money Bd.		147.9	+0.3	—

Property Growth Assur. Co. Ltd.♥
Leon House, Croydon, CR9 1LU 01-680 0606

Property Fund		177.0	.....	—
Property Fund (A)		175.6	.....	—
Agricultural Fund		736.4	.....	—
Agric. Fund (A)		731.0	.....	—
Abbey Nat. Fund		151.7	.....	—
Abbey Nat. Fd. (A)		151.5	.....	—
Investment Fund		66.2	.....	—
Investment Fd. (A)		66.6	.....	—
Equity Fund		164.1	−0.4	—
Equity Fund (A)		163.5	−0.4	—
Money Fund		138.6	.....	—
Money Fund (A)		137.9	.....	—
Actuarial Fund		110.7	.....	—
Gilt-edged Fund		121.2	.....	—
Gilt-Edged Fd. (A)		121.2	.....	—
♦Retire Annuity		177.2	.....	—
♦Immed. Ann'ty		138.5	.....	—

Prop. Growth Pensions & Annuities Ltd.

All W'ther Ac. Uts.	129.9	136.8	.....	—
♥All Weather Cap.	123.7	130.2	.....	—
♥Inv. Fd. Uts.		133.6	.....	—
Pension Fd. Uts.		128.0	.....	—
Conv. Pens. Fd		143.8	.....	—
Cnv. Pns. Cap. Ut.		130.9	.....	—
Man. Pens. Fd.		143.2	.....	—
Man. Pens. Cap. Ut.		133.0	.....	—
Prop. Pens. Fd.		143.6	.....	—
Prop.Pens.Cap.Uts.		131.9	.....	—
Bdgg. Soc. Pen. Ut.		129.0	.....	—
Bdg. Soc. Cap. Ut.		119.1	.....	—

Provincial Life Assurance Co. Ltd.
222, Bishopsgate, E.C.2. 01-247 6533

NEL Pensions Ltd.
Milton Court, Dorking, Surrey. 5911

Nelex Eq. Cap.	77.4	81.4	.....	—
Nelex Eq. Accum.	109.5	115.5	+0.2	—
Nelex Money Cap.	60.8	64.0	.....	—
Nelex Mon. Acc.	64.1	67.4	.....	—
Nelex Gth Inc Acc.	47.4	49.8	.....	—
Nelex Gth Inc Cap.	47.9	50.4	.....	—

Next sub. day May 25.

Nel Mxd. Fd. Cap.	47.7	50.2	.....	—
Nel Mxd. Fd. Acc.	47.9	50.4	.....	—

For New Court Property see under Rothschild Asset Management

Transinternational Life Ins. Co. Ltd.
2 Bream Bldgs., EC4 1NV. 01-405 6497

Tulip Invest. Fd.	134.8	141.8	.....	—
Tulip Mangd. Fd.	107.7	113.3	.....	—
Man. Bond Fd.	110.7	116.5	.....	—
Man. Pen. Fd. Cap.	113.5	119.4	.....	—
Man. Pen. Fd. Acc.	119.8	126.1	.....	—

Trident Life Assurance Co. Ltd.♥
Renslade House, Gloucester 0452 36541

Managed	119.7	126.8	.....	—
Gtd. Mgd.	146.5	154.1	.....	—
Property	147.7	156.4	.....	—
Equity/American	83.7	88.6	.....	—
U.K. Equity Fund	102.7	108.8	−0.2	—
High Yield	136.0	144.1	.....	—
Gilt Edged	120.2	127.3	.....	—
Money	121.9	129.4	.....	—
International	98.0	103.9	.....	—
Fiscal	123.5	130.8	.....	—
Growth Cap.	124.3	131.6	.....	—
Growth Acc.	127.7	135.2	.....	—
Pens. Mngd. Cap.	113.0	119.7	.....	—
Pens. Mngd. Acc.	117.1	124.0	.....	—
Pens.Gtd.Dep.Cap.	101.5	107.6	.....	—
Pens.Gtd.Dep.Acc.	105.2	111.4	.....	—
Pens. Ppty. Cap.	112.9	119.5	.....	—
Pens. Pty. Acc.	116.9	123.8	.....	—
Trdt. Bond	34.7	36.7	.....	—
*Trdt. G.I. Bond	99.3	—	−0.3	—

*Cash value for £100 premium.

Tyndall Assurance/Pensions♥
18, Canynge Road, Bristol. 0272 32241

3-way April 20		120.8	.....	—
Equity April 20		155.4	.....	—
Bond April 20		163.4	.....	—
Property April 20		104.2	.....	—
Deposit April 20		126.4	.....	—
3-way Pen. Apr. 20		149.2	.....	—
O'seas Inv. Apr. 20		71.7	.....	—
Mn.Pn.3-W Apr. 3		166.0	.....	—
Do. Equity Apr. 3		246.2	.....	—
Do. Bond Apr. 3		177.8	.....	—
Do. Prop. Apr. 3		94.8	.....	—

Vanbrugh Life Assurance
41-43 Maddox St., Ldn. W1R 9LA. 01-499 4923

Managed Fd.	142.3	149.8	+0.3	—
Equity Fd.	222.0	232.7	.....	—
Intnl. Fund	97.9	103.1	+0.8	—
Fixed Interest Fd.	162.9	171.5	−0.1	—
Property Fd.	117.5	123.7	+0.1	—
Cash Fund	117.4	123.6	.....	—

Vanbrugh Pensions Limited
41-43 Maddox St., Ldn. W1R 9LA. 01-499 4923

Managed	94.4	99.4	.....	—
Equity	95.7	100.8	.....	—
Fixed Interest	91.6	96.5	−0.1	—
Property	95.7	100.8	.....	—

Guaranteed see 'Ins. Base Rates' table.

Welfare Insurance Co. Ltd.♥
The Leas, Folkestone, Kent. 0303 57333

Moneymaker Fd.		100.7	.....	—

For other funds, please refer to The London & Manchester Group.

Windsor Life Assur. Co. Ltd.
1 High Street, Windsor. Windsor 68144

Life Inv. Plans	67.5	71.0	.....	—
FutureAssd.Gth(a)		28.0	.....	—
FutureAssd.Gth(b)		43.0	.....	—
Ret. Assd. Pens.		£24.61	.....	—
Flex. Inv. Growth	105.5	111.1	.....	—

BASE LENDING RATES

. Bank	7½%
Irish Banks Ltd.	7½%
ican Express Bk.	7½%
Bank	7½%
Bank Ltd.	7½%
Ansbacher	7½%
de Bilbao	7½%
of Credit & Cmce.	7½%
of Cyprus	7½%
of N.S.W.	7½%
ie Belge Ltd.	7½%
ie du Rhone	8 %
ays Bank	7½%
tt Christie Ltd.	8½%
ar Holdings Ltd.	8½%
Bank of Mid. East	7½%
Shipley	7½%
la Perm'nt Trust	7½%
ol C & C Fin. Ltd.	8½%
r Ltd.	8 %
Holdings	8 %
erhouse Japhet	7½%
artons	7½%
Coates	8½%
lidated Credits	7½%
erative Bank *	7½%
thian Securities	7½%
t Lyonnais	7½%
yprus Popular Bk.	7½%
n Lawrie ¶	7½%
Trust	7½%
sh Transcont.	9 %
London Secs.	7½%
Nat. Fin. Corpn.	10%
Nat. Secs. Ltd.	9½%
y Gibbs	7½%
ound Guaranty	7½%
lays Bank ‡	7½%
ess Mahon	7½%
■ Hambros Bank	7½%
■ Hill Samuel §	7½%
C. Hoare & Co. †	7½%
Julian S. Hodge	8½%
Hongkong & Shanghai	7½%
Industrial Bk. of Scot.	7½%
Keyser Ullmann	7½%
Knowsley & Co. Ltd.	9 %
Lloyds Bank	7½%
London Mercantile	7½%
Edward Manson & Co.	9 %
Midland Bank	7½%
■ Samuel Montagu	7½%
■ Morgan Grenfell	7½%
National Westminster	7½%
Norwich General Trust	7½%
P. S. Refson & Co.	7½%
Rossminster Accept'cs	7½%
Royal Bk. Canada Trust	7½%
Schlesinger Limited	7½%
E. S. Schwab	9½%
Security Trust Co. Ltd.	8½%
Shenley Trust	9½%
Standard Chartered	7½%
Trade Dev. Bank	7½%
Trustee Savings Bank	7½%
Twentieth Century Bk.	8½%
United Bank of Kuwait	7½%
Whiteaway Laidlaw	8 %
Williams & Glyn's	7½%
Yorkshire Bank	7½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 4%, 1-month deposits 4½%.
† 7-day deposits on sums of £10,000 and under 4%, up to £25,000 4½% and over £25,000 5%.
‡ Call deposits over £1,000 4%.
§ Demand deposits 5%.
¶ Rate also applies to Sterling Ind. Secs.

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mgrs. Ltd. (a) (z)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

Abbey Capital	31.5	33.5	.....	3.99
Abbey Income	38.2	40.6	.....	5.52
Abbey Inv. Tst. Fd	34.2	36.4	+0.1	4.22
Abbey Gen. Tst.	43.9	46.7	.....	3.94

Allied Hambro Group (a) (g) (z)
Allied Hambro Group (a) (g) Essex
01-588 2851 or Brentwood (0277) 211450

Balanced Funds

Allied 1st	63.1	67.5	.....	5.65
Brit. Inds. Fund	61.9	66.2	.....	5.68
Grth. & Inc.	34.6	37.0	.....	5.40
Elect. & Ind. Dev.	31.5	33.7	.....	5.25
Allied Capital	68.2	73.0	.....	4.44
Hambro Fund	101.4	108.5	.....	5.25
Hambro Acc. Fd.	114.9	122.9	.....	4.62

Income Funds

High Yield Fd.	66.0	70.3	.....	8.18
High Income	66.0	70.6	.....	6.37
A.H. Eq. Inc.	37.4	40.0	.....	6.87

International Funds

International	25.0	26.8	.....	2.53
Secs. of America	52.3	56.0	.....	2.05
Pacific Fund	38.0	40.7	.....	2.45

Specialist Funds

Smaller Co.'s Fd.	32.9	35.2	.....	4.97
2nd Smlr. Co's Fd.	40.5	43.3	.....	5.19
Recovery Sits.	84.2	90.1	.....	5.71
Met. Min. & C'dty.	37.4	40.0	.....	5.72
Overseas Earnings	56.0	59.9	.....	4.67
Expt. Smlr. Co's	202.8	213.5	.....	5.62

Anderson Unit Trust Managers Ltd.
158 Fenchurch St. EC3M 6AA 623 8231

Anderson U.T.	45.8	49.6	.....	4.64

Ansbacher Unit Mgmt. Co. Ltd.
1 Noble St., EC2V 7JA. 01-623 6376

Inc. Monthly Fund	162.0	172.0	+2.0	8.60

Arbuthnot Securities Ltd. (a)(c)
37, Queen St. London EC4R 1BY 01-236 5281

Extra Income Fd.	104.6	112.9	−4.2	10.94
High Inc. Fund	39.7	43.0	−0.1	9.41
♦Accum. Units	53.5	57.9	−0.1	9.41
(8½% W'drwl. Uts.)	53.5	57.9	−0.2	9.41
Preference Fund	25.5	27.5	.....	12.09
(Accum. Units)	37.8	40.7	.....	12.09
Capital Fund	18.7	20.3	+0.3	—
Commodity Fund	53.9	58.2	.....	5.79
(Accum. Units)	76.1	82.1	.....	5.79
(10% W'drwl. U.)	48.6	52.4	.....	5.79
Fin.&Prop.Fd.	16.5	17.9	.....	3.21
Giants Fund	38.6	41.8	.....	3.02
(Accum. Units)	44.6	48.3	.....	3.02
Growth Fund	32.5	35.1	−0.1	3.09
(Accum. Units)	38.4	41.6	−0.1	3.09
Smaller Co's Fd	26.2	28.4	−0.3	4.66
Eastern & Intl. Fd.	24.1	26.1	+0.6	1.51
(6% W'drwl. Uts.)	18.9	20.5	+0.5	1.51
Foreign Fd.	84.3	91.3	.....	1.80
N. Amer. & Int. Fd.	29.5	31.9	+0.7	1.00

Archway Unit Tst. Mgs. Ltd.♥ (a)(c)
317, High Holborn, WC1V 7NL. 01-831 6233.

Archway Fund	79.1	84.2	.....	6.16

Prices at April 28. Next sub. day May 10.

Barclays Unicorn Ltd. (a)(g)♥(c)
Unicorn Ho. 252 Romford Rd. E7. 01-534 5544

Unicorn America	33.7	36.2	+0.6	1.84
Do. Aust. Acc.	65.9	71.2	−0.8	1.87
Do. Aust. Inc.	52.3	56.5	−0.6	1.87
Do. Capital	63.8	69.0	+0.2	4.57

Gartmore Fund Managers ♥ (a)(g)
2, St. Mary Axe, EC3A 8BP. 01-283 3531

(z)American Tst.	27.4	29.5	+0.6	0.62
British Tst. (Acc.)	53.0	57.0	+0.1	2.97
Commodity Share	142.4	153.1	+0.9	3.17
(z) Far East. Trust	30.6	32.9	−0.1	0.72
High Income Tst.	56.5	60.8	+0.1	8.77
Income Fund	69.5	74.7	+0.1	6.93
Ins. Agencies	13.45	14.15	+0.10	3.57
Intl Exempt Fd.	83.3	90.6	.....	6.33
(z)Intl. Tst. (Acc.)	32.3	34.7	+0.4	1.43

Gibbs (Antony) Unit Tst. Mgs. Ltd.
23, Blomfield St., EC2M 7NL. 01-588 4111

(a) A.G. Income*	39.2	42.1	+0.9	8.40
(a) A.G. Growth††	37.5	40.3	+0.3	4.80
(a)A. G. Far East*	22.9	24.6	+0.1	0.30

Dealing *Tues. ††Wed.

Govett (John)♥
77, London Wall, E.C.2. 01-588 5620

S'hldr. Apr. 21	129.6	136.6	.....	2.25
Do. Accum. Unit	155.0	163.4	.....	2.25

Next dealing day May 5.

Grieveson Management Co. Ltd.
59 Gresham St., EC2P 2DS. 01-606 4433

Bar'gtn. April 26	195.3	204.5	.....	4.59
(Accum. Units)	211.9	221.4	.....	4.59
B'tgn.HY Apr. 27	170.0	178.1	.....	7.78
(Accum. Units)	195.5	204.8	.....	7.78
Endeav. May 2	174.5	182.8	+4.9	1.79
(Accum. Units)	180.7	189.3	+5.0	1.79
Grnchstr. Apr. 28	90.9	95.2	.....	2.86
(Accum. Units)	93.7	98.1	.....	2.86
Ln.&Brsls.Apr.26	69.1	72.3	.....	2.85
(Accum. Units)	71.6	74.9	.....	2.85

Guardian Royal Ex. Unit Mgrs. Ltd.
Royal Exchange, EC3P 3DN. 01-628 8011

(ag) Guardhill Tst.	85.3	88.3	−0.3	4.58

Henderson Administration (a) (c) (g) (z)
Premier UT Admin., 5 Rayleigh Road, Hutton, Brentwood, Essex. 0277-217 238

U.K. Funds

Cap. Growth Inc.	42.3	45.2	.....	3.46
Cap. Growth Acc.	42.8	45.8	.....	3.46
Income & Assets	31.0	33.0	.....	6.28

High Income Funds

High Income	58.0	61.3	.....	8.13
Cabot Extra Inc.	54.6	57.5	.....	8.78

Sector Funds

Financial & ITU	23.4	24.9	.....	4.52
Oil & Nat. Res.	25.3	26.9	.....	2.31

International

Cabot	81.0	86.3	.....	2.81
International	30.5	32.5	.....	1.66
World Wide Apr. 28	72.4	77.4	.....	4.46

Overseas Funds

Australian	32.2	34.3	.....	2.25
European	37.6	40.0	.....	4.77
Far East	69.8	74.6	.....	1.62
North American	38.1	40.8	.....	1.11
AmGrm. Apr. 28	120.9	125.9	.....	1.96
Cabot Amer. Sm. Co.	50.0	58.0	.....	0.50

Hill Samuel Unit Tst. Mgrs.† (a)
45 Beech St., EC2P 2LX 01-628 8011

(b) British Trust	149.4	159.8	+0.1	5.29
(g) Int'l Trust	36.4	39.0	+0.2	3.08
(g) Dollar Trust	76.4	81.8	+1.4	2.68
(b) Capital Trust	28.9	31.0	.....	4.69
(b) Financial Trust	88.8	95.0	.....	4.71
(b) Income Trust	26.6	28.5	.....	7.61
(b) Security Trust	50.7	54.3	+0.2	5.25
(b) High Yield Tst.	28.9	31.0	.....	7.92

Intel.♥ (a)(g)
15, Christopher Street, E.C.2. 01-247 7243

Intel. Inv. Fund	86.2	93.0	−0.5	6.78

Perpetual Unit Trust Mngmt.♥ (a)
48 Hart St., Henley on Thames 04912 6868

P'petualGp.Gth.	37.4	40.0	.....	3.87

Piccadilly Unit T. Mgrs. Ltd.♥ (a)(b)
Wardg'te Hse., 59a London Wall EC2 638 0801

Extra Income	30.8	32.9	−0.1	9.40
Small Co's Fd.	40.5		−0.2	3.27
Capital Fund	48.0	51.3	−0.2	3.74
Int. Ernes. & Assets	46.6	49.7	.....	3.36
Private Fund	35.9	38.7	−0.1	3.25
Accumltr. Fund	61.7	65.9	−0.3	3.32
Technology Fund	56.9	60.7	+0.3	5.06
Far East Fd	25.6	27.5	−0.1	1.10
American Fund	24.8	26.1	+0.7	2.10

Practical Invest. Co. Ltd.♥ (y)(c)
44, Bloomsbury Sq. WC1A 2RA 01-623 8893

Practical Apr. 26	143.5	152.7	.....	4.21
Accum. Units	202.9	215.8	.....	4.21

Provincial Life Inv. Co. Ltd.♥
222, Bishopsgate, E.C.2. 01-247 6533

Prolific Units	78.2	83.8	+0.9	3.23
High Income	104.7	112.2	+0.3	7.81

Prudl. Portfolio Mngrs. Ltd.♥ (a)(b)(c)
Holborn Bars, EC1N 2NH 01-405 9222

Prudential	119.0	126.5	.....	4.54

Quilter Management Co. Ltd.♥
The Stk. Exchange, EC2N 1HP. 01-600 4177

Quadrant Gen. Fd.	100.6	103.8	.....	4.40
Quadrant Income	119.9	123.7	.....	8.13

Reliance Unit Mgrs. Ltd.♥
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

Opportunity Fd.	63.2	67.6	+1.4	5.78
Seckforde T. (Acc.)	40.6	43.4	+0.1	5.37
Seckforde T. Inc.	39.5	42.2	.....	5.38

Ridgefield Management Ltd.
PO Box 419, 38-40, Kennedy St., Manchester 061 236 8521

Ridgefield Int. UT.	93.0	99.0	.....	2.52
Ridgefield Income.	94.0	100.0	.....	9.15

Rothschild Asset Management (g)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

N.C. Equity Fund	160.6	170.8	.....	2.92
N.C. Engy.Res.Tst.	107.2	114.0	.....	2.43
N.C. Income Fund	143.9	153.0	.....	6.77
N.C. Intl. Fd. (Inc.)	—	—	.....	—
N.C. Intl. Fd. (Acc.)	—	—	.....	—
N.C. Smllr. Coys Fd	143.1	152.2	.....	4.34

Rothschild & Lowndes Mgmt. (a)
St. Swithins Lane, Ldn., EC4. 01-626 4356

New Ct. Exempt	£112.0	119.0	.....	3.77

Price on April 17. Next dealing May 15.

Rowan Unit Trust Mngt. Ltd.♥(a)
City Gate Hse., Finsbury Sq., EC2. 01-606 1066

American Apr. 27	66.5	69.5	.....	0.93
Securities Apr. 25	156.0	164.0	.....	4.20
High Yield Apr. 20	53.1	55.8	.....	7.29
(Accum. Units)	72.9	76.6	.....	7.29
Merlin Apr. 19	72.5	76.2	.....	4.02
(Accum. Units)	88.5	93.0	.....	4.02

Royal Tst. Can. Fd. Mgrs. Ltd.
54, Jermyn Street, S.W.1. 01-629 8252

Capital Fd.	65.9	69.5	.....	3.75
Income Fd.	70.9	74.8	.....	7.53

Prices at Apr. 28. Next dealing May 15.

Save & Prosper Group
4, Great St. Helens, London EC3P 3EP
68-73 Queen St., Edinburgh EH2 4NX
Dealings to: 01-554 8899 or 031-226 7351

Baring Brothers & Co. Ltd.♥ (a)(x)
88, Leadenhall St., E.C.3. 01-588 2830

Stratton Tst.	166.0	173.0	.....	3.98
Do. Accum.	205.8	214.5	.....	3.90

Next sub. day April 26.

Bishopsgate Progressive Mgmt. Co.♥
9, Bishopsgate, E.C.2. 01-588 6280

B'gatePr.**Apr.25	180.0	191.7	.....	3.88
Acc.Uts.**Apr.25	212.5	226.4	.....	3.88
B'gate Int. Apr. 18	169.8	180.7	.....	2.06
(Accum.) Apr. 18	187.3	199.3	.....	2.06

Next sub. day *May 3. **May 9.

Bridge Fund Managers♥(a)(c)
King William St., EC4R 9AR 01-623 4951

Bridge Inc.*	47.8	52.0	.....	6.98
Bridge Cap. Inc.†	32.9	35.1	.....	3.50
Bridge Cap. Acc.†	36.3	38.7	.....	3.50
Bridge Exempt†	133.0	142.0	.....	5.65
Bridge Intl. Inc.†	15.1	16.1	.....	3.77
Bridge Intl. Acc.†	16.6	17.7	.....	3.77
Bridge Amer.Gen.‡		25.0	.....	—

Prices April 25/26. Dealing *Tues., †Wed., ‡Thurs.

Britannia Trust Management(a)(g)
3 London Wall Buildings, London Wall, London EC2M 5QL 01-638 0478/0479

Assets	67.0	72.0	.....	5.58
Capital Acc.	48.7	52.3	−0.1	4.29
Comm & Ind	52.5	56.4	−0.2	4.70
Commodity	72.6	78.0	+0.5	5.38
Domestic	36.1	38.8	.....	4.78
Exempt	99.3	104.3	+0.1	7.86
Extra Income	38.7	41.6	−0.1	9.50
Far East	19.3	20.7	−0.1	3.49
Financial Secs.	62.1	66.7	−0.2	4.63
Gold & General	78.8	84.7	−1.0	3.39
Growth	76.2	81.9	−0.2	4.22
Inc. & Growth	71.5	76.9	+0.2	7.27
Int'l Growth	58.7	63.1	+0.3	2.50
Invest.Tst.Shares	44.2	47.5	.....	3.72
Minerals	31.3	33.6	−0.3	3.87
Nat. High Inc.	78.2	84.0	−1.0	8.16
New Issue	34.2	36.7	+0.2	5.03
North American	29.3	31.6	+0.3	1.87
Professional	481.1	495.9	+1.8	4.36
Property Shares	12.1	13.0	.....	2.89
Shield	43.8	47.1	−0.1	4.62
Status Change	29.0	31.2	+0.2	4.89
Univ Energy	31.5	33.8	.....	2.62

The British Life Office Ltd.♥ (a)
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

BL British Life	47.9	50.7	−0.1	5.71
BL Balanced*	44.2	47.3	−0.4	5.44
BL Dividend*	41.7	44.6	+1.3	9.73

*Prices May 3. Next dealing May 10.

Brown Shipley & Co. Ltd.♥
Mngrs: Founders Ct., EC2 01-600 8520

BS Units Apr. 24	213.7	225.8	.....	4.70
Do. (Acc.) Apr. 24	266.3	280.4	.....	4.70

Oceanic Trusts (a) (g)

Financial	33.0	35.2	.....	4.34
General	17.8	18.9	.....	4.30
Growth Accum.	43.1	45.7	.....	5.16
Growth Income	34.5	36.6	.....	5.16
High Income	28.6	31.0	.....	9.60
I.T.U.	20.0	21.2	.....	3.88
Index	23.8	25.8	.....	4.90
Overseas	18.6	20.1	.....	3.50
Performance	52.9	57.2	.....	4.28
Recovery	21.2	22.9	.....	5.12
Exmpt. April 10	61.0	63.6	.....	4.50

Canada Life Unit Tst. Mngrs. Ltd.♥
2-6 High St., Potters Bar, Herts. P. Bar 51122

Can. Gen Dist.	36.7	38.6	+0.1	4.52

Kleinwort Benson Unit Managers♥
20, Fenchurch St., E.C.3. 01-623 8000

K.B. Unit Fd. Inc.	81.4	88.4	.....	5.01
♦K.B. UnitFd.Ac.	101.6	110.3	.....	5.01
K.B. Fd. Inv. Tsts.	52.5	57.3	+3.2	4.38

L & C Unit Trust Management Ltd.♥
The Stock Exchange, EC2N 1HP. 01-588 2800

L&C Inc. Fd.	138.2	134.3	.....	7.93
L&C Intl & Gen Fd.	91.3	94.2	.....	2.38

Lawson Secs. Ltd. ♥(a)(c)
63 George St., Edinburgh EH2 2JG. 031-226 3911

‡Raw. Materials	36.6	39.8	.....	6.75
‡(Accum. Units)	41.1	44.7	.....	6.75
*Growth Fund	55.4	60.2	.....	3.01
*(Accum. Units)	60.4	65.6	.....	3.01
††Gilt and Warrant	35.6	38.6	−0.2	1.86
‡American Fd.	24.2	25.7	.....	0.50
‡(Accum. Units)	25.1	26.7	.....	0.50
**High Yield	47.8	52.0	.....	10.81
**(Accum. Units)	65.9	71.7	.....	10.81

Deal. ‡Mon. *Tues. ††Wed. ‡Thurs. **Fri.

Legal & General Tyndall Fund♥
18, Canynge Road, Bristol. 0272 32241

Dis. April 12	55.2	58.4	.....	5.27
(Accum. Units)	68.5	72.6	.....	5.27

Next sub. day May 10.

Leonine Administration Ltd.
2, Duke St., London W1M 6JP. 01-486 5991

Leo Dist.	74.5	78.4	+0.9	5.05
Leo Accum.	79.2	83.4	+0.9	4.75

Lloyds Bk. Unit Tst. Mngrs. Ltd.♥ (a)
Registrar's Dept., Goring-by-Sea, Worthing, West Sussex. 01-623 1288

First (Balncd.)	48.0	51.6	−0.1	4.59
Do. (Accum.)	66.8	70.9	−0.1	4.59
Second (Cap.)	50.0	53.7	+0.1	3.33
Do. (Accum.)	62.2	66.8	+0.1	3.33
Third (Income)	79.2	85.1	+0.7	6.40
Do. (Accum.)	108.4	116.5	+0.1	6.40
Fourth (ExInc.)	58.9	63.3	+0.1	7.87
Do. (Accum.)	65.3	70.2	+0.1	7.87

Lloyd's Life Unit Tst. Mngrs. Ltd.
72-80, Gatehouse Rd., Aylesbury. 0296 5941

Equity Accum.	145.6	153.3	.....	4.09

M & G Group♥ (y)(c)(z)
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588

See also Stock Exchange Dealings.

American	48.5	51.6	+1.0	1.02
(Accum. Units)	49.4	52.6	+1.1	1.02
Australasian	48.5	51.7	+0.5	2.05
(Accum. Units)	49.4	52.6	+0.6	2.05
Commodity	66.8	74.0	+0.5	4.12
(Accum. Units)	74.1	79.7	+0.6	4.12
Compound Growth	99.5	107.0	+0.4	3.79
Conversion Growth	55.9	60.1	+0.2	3.27
Conversion Inc.	58.7	62.5	+0.2	9.43
Dividend	115.6	123.1	+0.8	8.01
(Accum. Units)	214.3	228.3	+1.5	8.01
European	46.6	49.6	−0.1	3.00
(Accum. Units)	47.1	50.2	−0.1	3.00
Extra Yield	80.9	86.2	+0.4	8.48
(Accum. Units)	108.2	115.2	+0.6	8.49
Far Eastern	48.1	51.2	+0.6	2.50
(Accum. Units)	52.7	56.1	+0.7	2.50
Fund of Inv. Tsts.	59.4	63.9	−0.1	4.57
(Accum. Units)	71.5	76.7	.....	4.57
General	161.2	174.9	+0.3	5.85
(Accum. Units)	246.2	267.1	+0.4	5.85
High Income	99.4	105.9	+0.7	8.65
(Accum. Units)	161.9	172.4	+1.1	8.65
Japan Income	146.0	156.2	+0.6	1.21
(Accum. Units)	147.3	157.6	+0.6	1.21
Magnum	191.8	205.2	+0.7	3.87
(Accum. Units)	239.2	255.9	+0.8	3.87
Midland	158.3	168.6	+1.2	7.08
(Accum. Units)	262.1	279.1	+1.9	7.08
Recovery	75.7	80.6	+0.3	4.79
(Accum. Units)	76.5	80.9	+0.3	4.79
Second Gen.	161.7	175.6	+0.4	5.37
(Accum. Units)	241.7	262.2	+0.6	5.37
Special	150.8	160.6	+0.4	4.32
(Accum. Units)	189.7	202.0	+0.5	4.32

Specialised Funds

High Return	63.8	68.6	−0.1	8.21
Income	42.2	45.3	−0.1	8.55

U.K. Funds

UK Equity	41.8	44.9	.....	4.89

Overseas Funds(z)

Europe	82.3	88.4	.....	3.21
Japan	94.3	101.3	+0.1	1.16
U.S.	75.0	80.6	+1.2	0.88

Sector Funds

Commodity	70.5	75.8	+0.3	4.34
Energy	66.3	71.2	+0.4	1.60
Financial Secs.	70.6	75.9	+0.4	3.06

High-Minimum Funds

Select Internat.	246.6	260.2	+1.9	2.38
Select Income	51.6	54.4	−0.1	7.42

Scotbits Securities Ltd.♥

Scotbits	38.0	40.8	.....	4.12
Scotyield	49.8	53.5	−0.2	7.38
Scotshares	55.3	59.4	+0.2	4.74
Scot. Ex. Gth*♦	228.8	239.6	.....	2.15
Scot. Ex. Yld.*♦	154.7	162.0	.....	7.66

*Prices at April 26. Next sub. day May 10.

Schlesinger Trust Mngrs. Ltd. (a)(z)
(Incorporating Trident Trusts)
140, South Street, Dorking. (0306) 86441

Am. Exempt*	21.7	22.8	+0.4	1.40
Am. Growth	27.1	29.1	.....	1.94
Exempt High Yld.*	24.7	26.0	.....	8.77
Exempt Mkt. Ldrs.*	24.4	25.7	.....	4.42
Extra Inc. Tst.	28.3	30.4	+0.1	9.98
Income Dist.	38.9	42.3	+0.1	9.62
Inc. 10% Wdrwl	29.9	32.5	.....	—
Intnl. Growth	47.0	50.5	.....	2.61
Inv. Tst. Units	24.6	26.4	.....	4.66
Market Leaders	28.1	30.2	−0.1	4.63
'Nil Yield'	27.1	29.3	+0.1	—
Pref. & Gilt Trust	24.0	25.3	.....	11.84
Property Shares	23.9	25.7	+0.1	2.50
Special Sit. Tst.	25.5	27.4	+0.2	2.75
U.K. Grth. Accum.	20.8	22.4	+0.1	5.97
U.K. Grth. Dist.	18.7	20.1	.....	5.97

*Next sub. May 10.

J. Henry Schroder Wagg & Co. Ltd.♥
120, Cheapside, E.C.2. 01-240 3434

Capital Apr. May 2	97.7	101.2	+1.4	2.47
(Accum.)	118.2	122.4	+2.6	2.47
Income May 2	180.9	187.4	+2.5	6.75
(Accum. Units)	263.3	272.8	+3.6	6.75
General Apr. 26	78.9	82.1	.....	3.53
(Accum. Units)	97.2	101.2	.....	3.53
Europe Apr. 20	30.1	32.0	.....	2.41
(Accum. Units)	33.3	35.4	.....	2.41
*Pen&CharFdAp25	163.9	168.9	.....	4.22
S*Spec.Ex.Apr.11	226.4	233.3	.....	3.68
*Recovery Apr. 11	178.0	183.5	.....	5.13

*For tax exempt funds only

Scottish Equitable Fnd. Mgrs. Ltd.♥
28 St. Andrews Sq., Edinburgh 031-556 9101

Income Units	48.4	51.5	+0.4	5.20
Accum. Units	55.2	58.7	+0.4	5.20

Dealing day Wednesday.

Sebag Unit Tst. Managers Ltd.♥ (a)
PO Box 511, Bcklbry. Hse., E.C.4. 01-236 5000

Sebag Capital Fd.	31.7	33.2	−0.1	4.03
Sebag Income Fd.	29.4	30.8	−0.1	8.40

Security Selection Ltd.
15-19, Lincoln's Inn Fields, WC2. 01-831 6936-9

Unvl Gth Tst Acc	23.5	25.1	.....	3.75
Unvl Gth Tst Inc	20.6	22.0	.....	3.75

Stewart Unit Tst. Managers Ltd. (a)
45, Charlotte Sq., Edinburgh. 031-226 3271

†Stewart American Fund

Standard Units	62.9	68.9	.....	1.47
Accum. Units	67.8	72.2	.....	—
Withdrawal Units	51.8	55.2	.....	—

*Stewart British Capital Fund

*Standard	127.9	138.4	.....	3.55
Accum. Units	146.5	158.6	.....	3.55

Dealing †Fri. *Wed.

OFFSHORE AND OVERSEAS FUNDS

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey. 0534 72177

Cap. Tst. (Jersey)	115.0	119.0	.....	4.20

Next dealing date May 10.

East & Intl Tst (C.I.)	111.0	118.0	.....	3.18

Next sub. May 11.

Australian Selection Fund NV
Market Opportunities, c/o Irish Young & Outhwaite, 127, Kent St., Sydney.

US$1 Shares		$US1.52	.....	—

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.

Wldinvest Income	[illegible]	118.13	.....	6.57

Prices at April 27. Next sub. day May 3.

Bnk. of Lndn. & S. America Ltd.
40-66, Queen Victoria St., EC4. 01-930 2313

Alexander Fund	$US6.63	—	.....	—

Net asset value April 26.

Banque Bruxelles Lambert
2, Rue De la Regence B 1000 Brussels

Renta Fund LF	1,823	1,879	+4	7.91

Barclays Unicorn Int. (Ch. Is.) Ltd.
1, Charing Cross, St. Helier, Jrsy. 0534 73741

Overseas Income	48.6	51.1	.....	10.85
Unidollar Trust	$US10.67	11.31	.....	4.30
Unibond Trust	$US99.97	100.06	+0.05	8.00

*Subject to fee and withholding taxes

Barclays Unicorn Int. (I. O. Man) Ltd.
1 Thomas St., Douglas, I.o.M. 0624 4856

Unicorn Aust. Ext.	48.4	52.1	.....	1.70
Do. Aust. Min	28.1	30.3	.....	2.00
Do. Grtr. Pacific	58.6	63.0	.....	—
Do. Intl. Income	38.5	41.4	.....	8.50
Do. I. of Man Tst.	45.8	49.3	.....	8.90
Do. Manx Mutual	24.4	26.3	.....	1.50

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911

ARMAC *Apr. 3	$US26.96	28.66	.....	—
CANRHO**Apr. 3	£1.017	1.078	.....	—
COUNT**Apr. 3	£2.298	2.438	.....	2.15

Originally issued at *$10 and **£1.00.

Bridge Management Ltd.
P.O. Box 508, Grand Cayman, Cayman Is.

N'bashi Apr. 3		Y15,398	.....	—

G.P.O. Box 590, Hong Kong

NipponFd. Apr. 26	$US15.81	16.52	.....	0.75

Ex-Stock Split.

Britannia Tst. Mngmt. (CI) Ltd.
30 Bath St., St. Helier, Jersey. 0534 73114

Growth Invest	30.9	33.4	.....	4.00
Intnl. Fd.	72.9	78.8	+1.7	1.00
Jersey Energy Tst.	136.1	147.1	.....	5.00

King & Shaxson Mgrs.
1 Charing Cross, St. Helier, Jersey. (0534) 73741
Valley Hse., St. Peter Port, Grnsy. (0481) 24706
1 Thomas Street, Douglas, I.o.M. (0624) 4856

Gilt Fund (Jersey)	9.22	9.23	.....	12.00
Gilt Trust (I.o.M.)	107.2	109.9	.....	11.75
Gilt Fnd. Guernsey	£9.65	9.66	.....	11.75

Intl. Govt. Secs. Tst.

First Sterling	18.46	18.56	+0.03	—
First Intl	184.52	184.91	+0.04	—

Kleinwort Benson Limited
20, Fenchurch St., EC3 01-623 8000

Eurinvest. Lux. F.		1,034	−5	3.42
Guernsey Inc	58.5	62.0	.....	4.64
Do. Accum.	71.3	75.5	.....	4.80
KB Far East Fd		$US10.16	.....	1.35
KB Intl. Fund		$US11.17	.....	2.60
KB Japan Fund		$US30.75	.....	0.72
K.B. U.S. Gwth. Fd.		$10.76	.....	—
Signet Bermuda		$US4.02	+0.02	1.66
*Unifonds (DM)	17.80	18.70	.....	9.07

*KB act as London paying agents only.

Lloyds Bk. (C.I.) U/T Mgrs.
P.O. Box 195, St. Helier, Jersey 0534 27561

Lloyds Tst. O'seas.	52.6	55.3	.....	1.55

Next dealing date May 15.

Lloyds International Mgmnt. S.A.
7 Rue du Rhone, P.O. Box 179, 1211 Geneva 11

Lloyds Int. Growth	SF326.00	343.00	.....	2.40
Lloyds Int. Income	SF296.50	318.50	.....	6.30

M & G Group
Three Quays, Tower Hill EC3R 6BQ 01-626 4588

Atlantic May 2	$US2.63	2.88	+0.05	—
Aust. Ex. Apr. 26	$US1.82	2.00	.....	—
Gold Ex. Apr. 26	$US7.61	8.40	.....	—
Island	113.3	120.6	+1.0	13.65
(Accum Units)	160.3	170.6	+1.4	13.65

Samuel Montagu Ldn. Agts.
114, Old Broad St., E.C.2. 01-588 6464

Apollo Fd. Apr. 26	SF47.95	52.05	.....	3.60
Japfest Apr. 14	$US10.25	11.08	.....	1.15
117 Grp. Apr. 19	$US10.53	11.53	.....	2.05
117 Jersey Apr. 19	£4.96	5.43	.....	0.77
117 JrsyO's Mar. 29	£10.98	11.56	.....	—

Murray, Johnstone (Inv. Adviser)
163, Hope St., Glasgow, C2. 041-221 5521

*Hope St. Fd		$US32.61	−0.74	—
*Murray Fund		$US10.65	+0.53	—

*NAV April 30.

Negit S.A.
10a Boulevard Royal, Luxembourg

NAV April 21		$US10.44	.....	—

J.E.T. Managers (Jersey) Ltd.
PO Box 194, Royal Tst. Hse., Jersey 0534 27441

Jersey Extrnl. Tst.	143.0	152.0	.....	—

As at Mar. 31. Next sub. day Apr. 28.

Jardine Fleming & Co. Ltd.
46th Floor, Connaught Centre, Hong Kong

Jardine Estn. Tst.		$HK229.65	.....	3.10
Jardine J'pn. Fd.*		$HK317.52	.....	0.90
Jardine S.E.A.		$US12.92	.....	2.40
Jardine Flem.Int.†		$HK9.36	.....	—

NAV Mar. 31. *Equivalent $US68.38. Next sub. April 28.

Keyselex Mngt., Jersey Ltd.
PO Box 98, St. Helier, Jersey. (Eng. 01-606 7070)

Fonselex	Fr1,394	1,528	−9	2.90
Bondselex	Fr120.59	127.80	−0.50	—
Keyselex Int'l	£6.35	7.19	−0.15	4.17
Keyselex Europe	£3.76	4.22	.....	3.91
Japan Gth. Fund	$US23.79	25.59	.....	—
Keyselex Japan	£11.53	12.60	.....	—
Cent. Assets Cap.		£132.45	+0.03	.....

S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2. 01-600 4555

Cnv.Bd.Fd Apr. 28		$US9.53	−0.02	—
Engy. Int. May 1		$US16.48	+0.12	—
Gr.St.$Fd. Mar. 31		$US6.55	.....	—
Mr.Eur. Apr. 26	$US8.39	13.41	.....	—

Warburg Invest. Mngt. Jrsy. Ltd.
1, Charing Cross, St. Helier, Jsy. CI 0534 73741

CMF Ltd. April 27	$US12.26	12.57	−0.12	—
CMT Ltd. April 27	£12.35	12.66	−0.71	—
MtalsTst. Mar. 20	£11.44	11.72	.....	—
TMT April 13	$US9.55	9.80	.....	—
TMT Ltd. April 13	£9.74	9.99	.....	—

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd		$US13.74	+0.20	—

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision.

BUILDING SOCIETY INTEREST RATES

GREENWICH
(01-858 8212)
281, Greenwich High Road,
Greenwich SE10 8NL.

*Deposit Rate 5.23. Share Accounts 5.60. Sub'pn. Shares 6.75. Term Shares 2 yrs. ½% above share rate, 3 yrs. 1% above share rate.

LONDON GOLDHAWK
(01-995 8321)
15-17, Chiswick High Road,
London W4 2NG.

Deposit Rate 5.75. Share Accounts 6.25. Sub'pn. Shares 7.50.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1978 High	Low	Stock	£	+ or —	Yield Int.	Red.
[illegible]	100[illegible]	Treasury 10½pc '78‡‡	100[illegible]	.....	10.43	7.06
[illegible]	96¼	Exch 5pc '76-'78‡‡	99	.....	5.05	7.49
105[illegible]	102[illegible]	Treasury 11½pc '79‡‡	102⅛	–[illegible]	11.23	8.48
97	94¾	Treasury 3pc '79‡‡	95½	.....	3.14	6.45
[illegible]	95⅝	Electric 4¼pc '74-79	96¼	.....	4.42	7.09
104[illegible]	101⅜	Treasury 10½pc '79‡‡	101¾xd	–[illegible]	10.32	9.19
[illegible]	94¾	Electric 3½pc '76-79	95¾xd	–⅛	3.65	6.44
[illegible]	96½	Treasury 9pc 1980‡‡	99⅛	.....	9.06	9.35
[illegible]	99½	Treasury 9½pc '80‡‡	100¼xd	–[illegible]	9.48	9.37
[illegible]	92¾	Treasury 3½pc '77-80	93¼	.....	3.75	6.98
[illegible]	94	Funding 5¼pc '78-80‡‡	95⅛	.....	5.52	7.78
[illegible]	105½	Exchequer 13pc 1980‡‡	106[illegible]xd	–[illegible]	12.24	10.19
[illegible]	102½	Treasury 11½pc 1981‡‡	102[illegible]	–[illegible]	11.20	10.31
[illegible]	89¾	Treasury 3¼pc 1979-81	89½	.....	3.91	7.75
[illegible]	92½	Treasury 9¾pc 1981‡‡	99	–⅛	9.85	10.14
[illegible]	94[illegible]	Exch. 8¼pc 1981	95[illegible]	–[illegible]	8.68	10.13
[illegible]	97⅝	Exch. 9¾pc 1981	97⅝	–⅛	9.73	10.37
[illegible]	86¼	Exch. 3pc 1981	86⅞	–⅛	3.45	7.56
[illegible]	96[illegible]	Treas. Variable '81‡‡	96[illegible]xd	.....	6.38	8.76
111	105[illegible]	Exch. 12¼pc 1981‡‡	106[illegible]xd	–[illegible]	12.01	10.61
[illegible]	94¼	Treas. 8¼pc '80-82‡‡	94⅞	–⅛	8.96	10.18
[illegible]	83¼	Treasury 3pc '82‡‡	84½	.....	3.55	7.79
115⅞	110[illegible]	Treasury 14pc '82‡‡	110⅛	–⅛	12.71	10.71
[illegible]	95[illegible]	Treas. Variable '82‡‡	95⅝	.....	7.84	8.78
[illegible]	92[illegible]	Treasury 8¼pc '82	92[illegible]	–[illegible]	8.92	10.53
100¼	95	Exch. 9¼pc 1982	95[illegible]	–[illegible]	9.73	10.66
[illegible]	93	Exch. 9¾pc 1983	93[illegible]	–[illegible]	9.40	10.66
[illegible]	[illegible]	Exch 3pc '83	61⅛	.....	3.70	7.78
114¾	104⅞	Treasury 12pc 1983‡‡	104⅞	–¼	11.44	10.67

Five to Fifteen Years

1978 High	Low	Stock	£	+ or —	Yield Int.	Red.
100[illegible]	95¾	Treasury 9½pc '83	96¼	.....	9.83	10.76
[illegible]	84¼	Funding 5½pc '82-84‡‡	84½	.....	6.64	9.44
[illegible]	91⅞	Treasury 8½pc '84-86‡‡	92	.....	9.51	10.46
[illegible]	79	Funding 6½pc '85-87‡‡	79¼	.....	8.21	10.07
[illegible]	82¼	Treasury 7¾pc '85-88‡‡	83¾	.....	9.49	10.83
[illegible]	61¾	Transport 3pc '78-88	62¼	.....	4.90	8.86
[illegible]	65¼	Treasury 5pc '86-89	65⅞	.....	7.62	10.14
[illegible]	107½	Treasury 13pc 1990‡‡	108	+⅛	12.48	12.31
[illegible]	81¼	Treasury 8¼pc '87-90‡‡	82⅝	.....	10.38	11.41
[illegible]	96⅛	Treasury 11¾pc 1991	99⅛	+⅛	12.31	12.45
[illegible]	65	Funding 5¾pc '87-91‡‡	65⅛	.....	8.89	10.91
[illegible]	103¼	Treasury 12¾pc '92‡‡	104½	.....	12.63	12.58
[illegible]	85½	Treasury 10pc 1992	87	.....	11.76	12.26
[illegible]	99	Exch. 12¼pc '92	99⅞	.....	12.55	12.61

Over Fifteen Years

1978 High	Low	Stock	£	+ or —	Yield Int.	Red.
[illegible]	101	Treasury 12½pc '93‡‡	102¼	.....	12.62	12.64
[illegible]	62¼	Funding 6pc 1993‡‡	62½	.....	9.72	11.30
[illegible]	105¾	Treasury 13¾pc 1993‡‡	105½xd	.....	12.94	12.81
[illegible]	113½	Treasury 14½pc '94‡‡	113½	.....	13.06	12.84
[illegible]	100¼	Exch. 12½pc 1994	100⅝	+⅛	12.73	12.75
[illegible]	78	Treasury 9pc '94‡‡	78⅛xd	.....	11.47	12.03
[illegible]	93¼	Treasury 12pc '95	95⅝	+⅛	12.58	12.65
[illegible]	43¼	Gas 3pc '90/95	44⅞xd	.....	6.69	9.67
[illegible]	85¾	Exch. 10¼pc 1995	86⅝	.....	12.15	12.47
[illegible]	99½	Treasury 12¾pc '95‡‡	99⅝xd	.....	12.74	12.74
[illegible]	79⅛	Treasury 9pc '92-96‡‡	78¼	.....	11.68	12.17
[illegible]	115⅝	Treasury 15¼pc '96‡‡	115¾xd	.....	13.17	12.97
[illegible]	102⅝	Exchequer 13¼pc '96‡‡	102½xd	.....	12.84	12.80
[illegible]	43⅞	Redemption 3pc 1986-96	44	.....	6.86	9.54
[illegible]	106½	Treasury 13¼pc '97‡‡	106⅝	.....	12.87	12.82
[illegible]	86½	Exchequer 10½pc 1997	87⅞	.....	12.30	12.54
[illegible]	76½	Treasury 8¾pc 1997‡‡	76¼	.....	11.71	12.16
[illegible]	61¼	Treasury 6¾pc '95-98‡‡	61¼	.....	11.03	11.86
[illegible]	119¼	Treas. 15½pc '98‡‡	119½	.....	13.13	12.95
30	29¼	Exch. 12pc '98 (£30pd)	29¼	.....	12.61	12.66
[illegible]	82½	Treasury 9½pc 1999‡‡	82½	.....	11.92	12.20
[illegible]	84	Treasury 10½pc 1999	84½xd	.....	12.36	12.55
[illegible]	37½	Funding 3½pc '99-04	37⅝	.....	9.57	10.83
[illegible]	65⅜	Treasury 8pc '02-06‡‡	69	.....	11.70	11.90
[illegible]	48¼	Treasury 5½pc '08-12‡‡	49	.....	11.41	11.66
[illegible]	67⅞	Treasury 7¾pc '12-15‡‡	68	.....	11.75	11.83

Undated

1978 High	Low	Stock	£	+ or —	Yield Int.	Red.
[illegible]	33¼	Consols 4pc	33⅞	.....	12.35	—
[illegible]	32⅝	War Loan 3½pc‡‡	32⅝xd	.....	10.64	—
[illegible]	35	Conv. 3½pc '61 Aft.	35⅛	.....	10.05	—
[illegible]	24½	Treasury 3pc '66 Aft.	24⅝	.....	12.42	—
24⅛	21	Consols 2½pc	21	.....	12.01	—
24	20¼	Treasury 2½pc	20¼	.....	12.48	—

**INTERNATIONAL BANK

1978 High	Low	Stock	£	+ or —	Yield Int.	Red.
[illegible]	83	5pc Stock '77-82	83	.....	6.02	9.94

**CORPORATION LOANS

1978 High	Low	Stock	£	+ or —	Yield Int.	Red.
[illegible]	95	Birm'ham 9¾pc '79-81	96	–¼	9.64	10.71
[illegible]	90¾	Bristol 7¾pc '79-81	91xd	–¼	8.52	10.87
[illegible]	102½	G.L.C. 12½pc '82	102¾xd	–¼	12.16	11.63
[illegible]	103½	Do. 12½pc 1983	104¼	–½	12.29	12.04
97¼	94	Glasgow 9¼ '80-82	94xd	.....	9.83	10.97
93	90¼	Herts. 5½pc '78-80	91¼xd	.....	5.75	10.02
[illegible]	97⅞	Liverpool 5¾pc '76-78	99	.....	5.81	8.03
102½	90½	Do. 9¾pc '80-84	90½xd	–½	10.76	11.86
[illegible]	27	Do. 3½pc Irred.	27¼	–¼	13.16	—
[illegible]	99	Lon. Corp. 6½pc '75-78	99[illegible]	–[illegible]	6.54	8.44
99¾	91	Do. 9¼pc '84-85	91	–½	10.23	11.17
[illegible]	95	L.C.C. 6pc '76-79	95½	–¼	6.28	9.66
[illegible]	87	Do. 5½pc '77-81	87	.....	6.31	10.09
[illegible]	76½	Do. 5½pc '82-84	76½	–½	7.33	11.17
[illegible]	69	Do. 5½pc '85-87	69	–½	8.21	11.40
75	69½	Do. 6¾pc '88-90	69½	–½	9.99	11.83
[illegible]	22¾	Do. 3pc '20 Aft.	22¾xd	.....	12.65	—
[illegible]	91½	Middx. 5¾pc 1980	91¾	.....	5.72	10.11
[illegible]	95	Newcastle 9¾pc '78-80	96¼	–¼	9.61	11.04
105¾	102½	Warwick 12½% 1980	103xd	.....	12.13	11.08

COMMONWEALTH & AFRICAN LOANS

1978 High	Low	Stock	£	+ or —	Yield Int.	Red.
[illegible]	96½	**Aust. 5½pc '75-78	98⅞	+⅛	5.59	8.94
[illegible]	93½	**Do. 5½pc '77-80	94⅝	+⅛	5.92	10.16
[illegible]	83½	**Do. 5½pc '81-82	83¼	+¼	6.60	10.78
[illegible]	96¼	**N.Z. 4pc 1976-78	98⅝	+⅛	4.11	8.74
[illegible]	92¼	**Do. 6pc '76-80	94	.....	6.45	10.20
[illegible]	85½	**Do. 7½pc '83-86	85½	.....	9.16	10.92
95	91	Sth. Africa 9½pc '79-81	93½xd	.....	10.14	11.72
70	55	Sth. Rhod. 2½pc '65-70	55	–4	—	—
[illegible]	85	Do. 6pc '78-81	87	–3	—	—

LOANS

Public Board and Ind.

1978 High	Low	Stock	£	+ or —	Yield Int.	Red.
[illegible]	59	Agric. Mt. 5pc '59-89	60½	–½	8.48	11.66
[illegible]	85½	Alcan 10½pc '89-94	85½	.....	12.95	13.40
[illegible]	29¼	**Met. Wtr. 3pc 'B'	29¼	.....	10.41	12.09
[illegible]	107	U.S.M.C. 9pc 1982	133	+3	6.98	2.20
[illegible]	92½	Do. without Warrants	95	.....	9.89	11.70

Financial

1978 High	Low	Stock	£	+ or —	Yield Int.	Red.
[illegible]	103	**FFI 13pc '81	103¼	.....	12.59	11.56
[illegible]	[illegible]	Do. 14pc '79	103½xd	.....	13.53	11.40
[illegible]	107	Do. 14pc '83	109½	.....	13.38	12.80
[illegible]	75½	ICFC 5½pc Deb. '80-82	82	.....	6.77	10.80
[illegible]	73¼	Do. 6¾pc Db. '81-84	75½xd	.....	8.28	11.70
[illegible]	95½	Do. 10¾pc Uns Ln. '86	97	.....	11.22	11.70
[illegible]	95	Do. 11pc Uns Ln. '88	96½	.....	11.81	12.15
[illegible]	94½	Do. 11¾pc Uns Ln. '90	96½	.....	12.63	12.90
[illegible]	65	Do. 7¾pc A Deb. '89-92	65½	.....	11.61	13.05
[illegible]	62½	Do. 7¾pc A Db. '91-94	63	.....	11.66	12.80
[illegible]	74	Do. 9pc 'A' '91-94	74½	.....	12.28	12.95
[illegible]	71½	Do. 8pc Ln. '92-97	71½	.....	12.81	13.40

FOREIGN BONDS & RAILS

1978 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
[illegible]	17	Antofagasta Rly.	17	.....	—	—
[illegible]	33	Do. 5pc Pref.	33	.....	B—	
[illegible]	98	Chilean Mixed	98	.....	3	f3.09
[illegible]	350	German Yng. 4½pc	410	.....	4½	—
[illegible]	46	Greek 7pc Ass.	54xd	.....	3½	f6.70
52	46	Do. 6pc '28 Stab. Ass.	49	.....	6	f6.12
[illegible]	40	Do. 4pc Mixed Ass.	43	.....	4	f4.71
[illegible]	42	Hung. '24 Ass.	55xd	.....	4½	5.12
[illegible]	67	Ireland 6¾pc '83-88	67	.....	—	12.65
[illegible]	84¾	Ireland 7½pc '81-83	84¼	.....	7½	12.09
[illegible]	81¼	Do. 9¾pc '91-96	81¼	.....	9¾	12.50
[illegible]	255	Japan 4pc '10 Ass.	370	.....	—	—
[illegible]	77	Do. 6pc '83-88	77	.....	6	9.80
[illegible]	145	Peru Ass. 3pc	157	.....	3	1.92
[illegible]	75p	S.G.I. 6½pc 1980	75	.....	6½	8.67
[illegible]	$94½	Turin 9pc 1991	$94½	.....	9	9.52
[illegible]	81	Turin 6½pc 1984	81	.....	6½	11.35
[illegible]	94	Uruguay 3½pc	94xd	.....	3½	4.80

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

1978 High	Low	Stock	£	+ or —	Div. Gross	Cvr	Y'ld Gr's
[illegible]	[illegible]	ASA	16⅛	.....	80c	—	2.8
[illegible]	60½	AMF 5% Conv. '87	60½	.....	5%	—	f4.8
[illegible]	22	Amax $1	31	+1	$1.75	—	3.2
[illegible]	21¾	American Express	30½	+1¼	$1.40	—	2.6
[illegible]	11	Amer. Medic. Int.	20⅝	+⅞	30c	—	0.8
[illegible]	969p	Asarco Inc.	13⅛	–⅛	40c	—	1.7
[illegible]	26¼	Baker Intnl. Corp. $1	39⅛	.....	64c	—	0.9
[illegible]	11⅞	Barnes Grp. $6⅔	18½	+1½	90c	—	2.7
[illegible]	22	Bendix Corp. $5	30	.....	$2.28	—	4.3
[illegible]	15	Beth. Steel $8	19⅛	+⅝	$1.00	—	2.9
[illegible]	625p	Brown'g Fer. c16⅔	10	+[illegible]	40c	—	2.3
[illegible]	657p	Brunswick Corpn. ‖	11⅜xd	.....	70c	—	3.5
57	[illegible]	Burroughs Corp. $5	57xd	+1	$1.00	—	1.0
[illegible]	30½	CBS $2.50	43⅝	.....	$2.40	—	3.1
[illegible]	23¼	C.P.C. $½	38⅞	+⅞	$2.50	—	3.6
[illegible]	32½	Caterpillar‖	44½	.....	$1.80	—	2.3
26	17⅞	Chase M'htn. $12.5	25	.....	$2.20	—	5.0
[illegible]	13⅝	Cheesebrough $1	19½	.....	94c	—	2.7
11	765p	Chrysler $6¼	910p	+33	$1.00	—	6.2
[illegible]	15½	Citicorp $4	19⅛xd	.....	$1.06	—	3.1
[illegible]	735p	City Inv. $1.25	12½	+¾	$1.00	—	4.5
[illegible]	[illegible]	Do. Cm. Pf. B $1	25	+¼	$2	—	4.5
[illegible]	12¾	Colgate-P. $1	16½	–½	$1.00	—	3.4
[illegible]	29	Colt Inds. $1	43½	.....	$2.75	—	2.4
[illegible]	15½	Cont. Illinois $10	23¾	.....	$1.32	—	3.1
[illegible]	17	Cont. Oil $5	23	+¾	$1.40	—	3.5
[illegible]	20½	Crown Zell. $5	27	+½	$1.90	—	4.0
[illegible]	20⅛	Cutler-Hammer $5	36	.....	$1.40	—	2.2
[illegible]	23	Eaton Crp. $0.50	31¼	.....	$2.25	—	4.1
[illegible]	17¼	Esmark	22½	.....	$1.84	—	4.6
38¼	28¼	Exxon ‖	38½	+½	$3.20	—	4.7
[illegible]	670p	Firestone Tire ‖	12xd	+⅛	$1.10	—	5.2
17¼	[illegible]	First Chicago	17	.....	$1.00	—	3.3

AMERICANS—Continued

1978 High	Low	Stock	£	+ or —	Div. Gross	Cvr	Y'ld Gr's
30¼	20¾	Fluor Corp. $⅓	29½xd	–½	$1.20	—	2.3
41¾	26⅝	Ford Motor $2	41¾	+1½	$3.20	—	4.3
22½	16⅛	GATX	22½	+½	$2.50	—	6.3
42½	29⅝	Gen. Elect. $2½	41⅞	.....	$2.20	—	3.0
22⅞	15⅛	Gillette $1	22⅞	+1⅛	$1.50	—	3.8
43	28	Honeywell $1.50	43	+2⅝	$1.90	—	2.5
13⅜	750p	Hutton E.F.	12¾	+¾	$0.68	—	3.0
216½	171	I.B.M. Corp. $5	216½	+6¼	$11.52	—	2.6
46⅝	34	Ingersoll-R $2	46¼	–⅜	$3.00	—	3.6
17⅝	735p	Int. Systems & Con. $1	14⅛	–¾	25c	—	1.0
976p	705p	I.U. International‖	961p	+4	90c	—	5.3
27	18	Kaiser Al. $⅓	26¼	.....	$1.60	—	3.4
28⅞	20	Manf. Han. US$7.50	28⅞	+1½	$2.08	—	4.0
39⅛	26⅝	Morgan (JP) US$2.5	38½	.....	$2.20	—	3.2
16⅞	12	Norton Simon Inc. $1	16xd	+¾	[illegible]	—	2.7
18	13½	Owens-Ill. $3.125	17¼	.....	h$1.06	—	3.5
18	14⅛	Quaker Oats US$5	18	.....	$1.04	—	3.3
26¾	15⅛	Reliance $0.25	26¾	.....	15c	—	—
27⅞	16¼	Rep. N.Y. Corp. $5	25⅛	.....	$1.00	—	2.5
15¼	11	Rexnord $5	15¼	.....	80c	—	2.9
19½	14⅛	Richdsn.-Mrrll. $1¼	18⅛	.....	90c	—	2.8
576p	255p	Saul (B.F.) $1	556p	–9	—	—	—
27⅝	18½	Shell Oil $1	27⅝	+1	h$1.60	—	3.3
18½	11⅞	Singer ($10)	18½	+¾	60c	—	1.8
32½	22⅜	Sperry Rand $0.50	32½xd	+⅝	$1.12	—	1.9
31¾	18⅝	TRW Inc. $1¼	31¾	+1	$1.80	—	3.2
26⅛	18⅛	Tenneco	25⅞	+⅛	$2.00	—	4.4
156	131	Do. 10% Ln. Stk. 91-95	156	+2	10%	—	f6.6
804p	505p	Tesoro Pt. US$0.16⅔	779p	+3	—	—	—
22	16⅞	Texaco $6.25	21	.....	$2.00	—	5.4
38¼	22⅞	Time Inc.	38¼	+2¾	$1.50	—	2.2
13⅛	865p	Transamerica $1	13⅛xd	+⅜	80c	—	3.5
34⅞	21¼	Utd. Tech. $US5	33	+¼	$2.00	—	3.5
23⅛	17¾	U.S. Steel $1	23⅛	+⅛	$1.60	—	3.9
17	11½	Woolworths $3½	17	+⅜	$1.40	—	4.7
40½	28⅞	Xerox Corp. $1	40½	+1⅛	$2.00	—	2.6
625p	385p	Xonics Inc. 10c	610p	.....	7½c	—	0.7
13¼	10⅞	Zapata Corp. 25c	12¼	–¼	s30c	—	1.3

S.E. List Premium 47¾% (based on $US1.8281 per £)

Conversion factor 0.6765 (0.6766)

CANADIANS

1978 High	Low	Stock	£	+ or —	Div. Gross	Cvr	Y'ld Gr's
14[illegible]	10[illegible]	Bk. Montreal $2	13[illegible]	+⅛	$1.06	—	3.6
14[illegible]	10[illegible]	Bk. Nova Scotia $1	14[illegible]	–[illegible]	92c	—	3.0
39¾	30¼	Bell Canada 25c	39⅝xd	+½	$4.2	—	5.0
18¼	12	Bow Valley‖	18½	–¼	10c	—	0.3
11[illegible]	825p	Brascan‖	11⅞	+½	$1.00	—	4.0
20[illegible]	13⅝	Can. Imp. Bk. $2	19[illegible]	.....	$1.44	—	3.5
13[illegible]	955p	Can. Pacific $5	12[illegible]	+⅛	97c	—	3.5
37½	34	Do. 4pc Deb. £100	34¼	+¼	4%	—	11.6
21¾	16⅛	Gulf Oil Can.‖	19⅜	–⅝	$1.14	—	2.8
440p	315p	Hawker Sid. Can.‖	440p	+15	40c	—	4.3
23⅛	16⅞	Hollinger $5	23⅛	+⅛	$2.06	—	4.2
13¾	11¼	Hudson's Bay ‖	13[illegible]xd	–[illegible]	69c	—	2.4
32¼	24⅞	Hud. B. Oil G. $2½	29	–½	$1.60	—	2.6
14¼	11⅛	Imperial Oil‖	13⅜	+⅛	86.4c	—	3.0
13⅓	945p	Inco	12¾	+¼	80c	—	2.9
775p	585p	Int. Nat. Gas $1	760p	+20	80c	—	4.9
10⅝	610p	Massey Ferg.‖	840p	+5	—	—	—
28⅞	21⅛	Pacific Pet. $1	25¾	–¼	86.4c	—	1.6
69p	50p	Place Gas $1	63p	+6	—	—	—
22[illegible]	15	Rio Algom	21[illegible]	+⅜	$1.08	—	2.3
21[illegible]	14[illegible]	Royal Bk. Can. $2	20¾	+[illegible]	$1.46	—	3.3
19[illegible]	13[illegible]	Seagram Co. C$1	18[illegible]	+[illegible]	92c	—	2.3
13¼	955p	Tor. Dom. Bk. $1	12⅞	+⅛	80c	—	0.0
10¾	880p	Trans Can. Pipe	10⅜	+⅛	103c	—	4.7

S.E. List Premium 47¾% (based on $2.0618 per £)

BANKS AND HIRE PURCHASE

1978 High	Low	Stock	Price	+ or —	Div Net	C'vr	Y'ld Gr's	P/E
258	186	ANZ $A1	258	.....	tQ22.8c	—	3.1	—
293	210	Alexanders D. £1	243	+1	14.33	—	8.9	—
£133	£90½	Algemene Fl.100	£123¼xd	–½	Q23%	2.5	4.7	8.8
535	430	Allen Harvey £1	440	+5	30.72	—	10.6	—
173	150	Allied Irish	173	+2	†Q10.0	—	5.8	—
165	155	Arbuthnot L. £1	165	+5	†9.25	—	8.5	—
£20	£13¼	Bank Amer. $1.565	£19⅝	–½	Q94c	—	2.7	—
367	315	Bk. Ireland £1	367	+7	†13.25	—	5.6	—
£165	£137	Do. 10pc Conv.	£163	+5	Q10%	—	f6.2	—
21	15	Bk. Leumi I£1	21	.....	Q16%	—	2.5	—
170	160	Bk. Leumi (UK) £1	170	.....	7.36	1.5	6.6	15.2
505	380	Bk. N.S.W. $A2	500	.....	Q30c	—	3.7	—
315	255	Bank Scotland £1	290	.....	10.89	3.6	5.7	7.4
£30⅝	£21⅞	Bankers N.Y. $10	£30⅝	+½	Q$3.00	—	5.6	—
353	296	Barclays £1	345	+5	11.13	5.3	4.9	5.9
215	200	Brown Shipley £1	215	.....	†8.42	—	5.9	—
312	265	Cater Ryder £1	285	.....	†17.57	—	9.3	—
84	70	Clive Dis'nt 20p	74	+1	4.78	—	10.2	—
•227	171	Com'l Aus. ($A1)	224	.....	tQ16c	2.6	4.4	8.7
•£19	£12¾	Com'zbk DM10	£17⅞	.....	Q18%	—	2.7	—
£18⅛	£15	C'hgn. Hbk. Kr100	£18⅛	.....	Q12%	—	6.4	—
25	18	Corinthian 10p	25xd	+½	0.7	—	4.6	—
£22½	£13¾	Cred. France F75	£22⅝	.....	Q9.87%	—	2.9	—
•36	32	Dawes (G.R.)	35	.....	—	—	—	—
£123	£90	Deutsche Bank DM50	£113¾	+¼	Q18%	—	2.0	—
83	60	F.C. Finance	68xd	+1	2.00	ф	4.5	ф
3¼	1¾	First Nat. 10p	2⅛	.....	—	—	—	—
1	½	Do. Wrrts. 75-83	½	.....	—	—	—	—
12½	10¼	Fraser Ans. 10p	11¾	.....	0.03	—	0.4	—
196	157	Gerrard Natnl.	170xd	–1	8.17	—	7.3	—
46	37	Gibbs (A.)	40xd	+1½	2.20	—	8.3	—
255	195	Gillett Bros. £1	195	.....	15.18	—	11.8	—
29	19	Goode D't Mry. 5p	22	–1	0.13	—	0.9	—
120	99	Grindlays	101	.....	2.75	7.2	4.1	3.5
220	185	Guinness Peat	208	.....	†10.0	—	7.3	—
217	158	Hambros	185	.....	†9.52	—	7.8	—
100	81	Hill Samuel	85	.....	†4.32	—	7.7	—
600	425	Do. Warrants	425	.....	—	—	—	—
269	203	Hong Shng. $2.50	266	–3	hQ59c	—	2.6	—
86	65	Jessel Toynbee	73xd	+3	4.09	—	8.5	—
180	160	Joseph (Leo) £1	162	+2	†8.01	—	7.5	—
49	37	Keyser Ullmann	43	–1	0.32	—	1.2	—
74	58	King & Shax 20p	62	.....	†3.39	—	8.3	—
114	92	Kleinwort B.L.	102	.....	4.12	—	6.1	—
297	242	Lloyds £1	275	+7	9.09	5.5	5.0	5.5
50½	42	Manson Fin. 20p	48	.....	†2.79	1.5	8.8	11.9
134	106	Mercury Secs.	116	.....	3.39	—	4.4	—
•390	330	Midland £1	365xd	+9	14.75	4.3	6.1	5.7
£92	£78½	Do. 7½% 83-93	£84	.....	Q7½%	21.1	f9.2	—
£95¼	£87	Do. 10¼% 93-98	£89	.....	Q10¼%	21.1	e12.9	—
64	56	Minster Assets	60½	–½	†3.55	2.1	8.9	8.8
235	172	Nat. Bk. Aust. $A1	235	+2	tQ14½c	ф	3.8	ф
81	66	Nat. Com. Grp.	75	+1	2.63	5.1	5.3	5.5
297	254	Nat. West. £1	288	+4	11.49	4.2	6.0	6.0
445	350	Schroders £1	410	.....	11.55	—	4.3	—
255	190	Seccombe M.C. £1	220	.....	12.06	—	8.4	—
92	70	Smith St. Aub.	77xd	+2	5.01	—	9.9	—
427	378	Stand'd Chart. £1	407	.....	†17.59	3.9	6.6	5.3
$10	$¾	Trade Dev. $1.50	$10	.....	Q55c	ф	5.5	ф
356	290	Union Disc. £1	300	–5	h15.81	—	8.0	—
48	32	U.D.T.	38	.....	—	—	—	11.2
£23¼	£15¾	Wells Fargo $5	£23¼	+⅛	Q$1.12	—	2.9	—
67	60	Wintrust 20p	62	.....	3.03	—	7.4	—

Hire Purchase, etc.

1978 High	Low	Stock	Price	+ or —	Div Net	C'vr	Y'ld Gr's	P/E
38½	31½	Cattle's (Hdgs.) 10p	35	–½	h2.03	1.7	8.8	10.2
£61½	£35	Cie Bcre Fr.100	£56	.....	Q12%	—	2.7	—
8	8	Credit Data 10p	8¢	.....	—	—	—	—
111	85	Lloyds & Scot. 20p	86	.....	†3.95	1.9	7.0	11.6
47	30	Lnd. Scot. Fin. 10p	42	.....	g1.87	3.0	6.7	6.4
14	9	Moorgate Merc. 10p	11	.....	—	—	—	19.9
101	85	Prov. Financial	94	.....	4.87	2.3	7.9	8.4
33½	23	Sturg. Credit 10p	23	.....	h†1.3	2.3	8.6	(6.3)
20½	10½	Sturla (G.) 10p	17	.....	—	—	—	—
48½	39½	Wagon Finance	43	.....	h2.06	2.3	7.3	4.5

BEERS, WINES AND SPIRITS

1978 High	Low	Stock	Price	+ or —	Div Net	C'vr	Y'ld Gr's	P/E
93½	78	Allied Brews.	87	.....	3.93	1.9	6.8	11.9
40	30	Amal. Dist. Pr. 10p	37	.....	m0.25	—	1.0	—
159	137	Bass Char'gton	159	.....	4.84	3.2	4.6	10.1
248	196	Bell Arthur 50p	248	+3	b4.78	3.5	2.9	14.9
46	37	Belhaven Brewery	40	.....	—	—	—	—
154	138	Boddingtons	152	–2	3.91	2.5	3.9	15.7
76	66	Border Brew's.	72	.....	3.50	ф	7.6	ф
112	100	Brown (Matthew)	108	.....	3.92	2.2	5.5	12.3
47	40	Buckley's Brew.	44	.....	†1.64	2.7	5.7	9.7
155	134	Bulmer H.P.	155	+1	[illegible]6.6	2.8	7.5	8.4
160	140	Burtonwood	142	.....	3.10	5.1	3.4	8.7
63	55	City Lon. Def.	57	.....	2.4	1.6	6.4	14.6
152	114	Clark (Matthew)	152	.....	†5.21	3.3	6.0	7.7
182	163	Distillers 50p	182	+2	6.54	3.1	5.4	8.9
21	18	Gordon (L.) 10p	19	.....	—	—	—	—
54	43	Gough Bros. 20p	46	.....	b2.8	1.3	9.4	12.3
110	93	Greenall Whitley	109	.....	2.62	3.8	3.6	11.0
233	213	Greene King	230	.....	†6.53	2.8	4.3	12.9
191	154	Guinness	182	+1	7.02	2.6	5.8	8.6
158	129	Highl'd Dist. 20p	133	.....	2.9	2.5	3.3	18.4
98	83	Invergordon	98	–1	†2.03	3.0	3.1	(11.9)
133	109	Irish Distillers	128	.....	3.55	4.2	3.7	8.7
320	270	Macallan Glen.	310	.....	4.62	2.3	2.3	22.3
450	360	Morland £1	450	.....	12.45	2.6	4.2	13.6
65	50	Sandeman	65	.....	2.31	ф	5.4	ф
71½	62	Scott & New 20p	64½	–½	†3.1	2.0	7.3	10.2
104	95	Tomatin	104	+1	3.00	2.6	4.4	12.9
106	94	Vaux	105	.....	4.02	2.4	5.8	10.8
96½	82½	Whitbread 'A'	93	+1	†3.57	2.6	5.8	9.9
201	185	Wolv. Dudley	192	.....	5.74	3.0	4.5	11.3
170	145	Young Brew 'A' 50p	165	.....	†2.89	3.8	2.7	15.3

BUILDING INDUSTRY, TIMBER AND ROADS

1978 High	Low	Stock	Price	+ or —	Div Net	C'vr	Y'ld Gr's	P/E
95	81	Aberdeen Const.	83	.....	†4.18	3.6	7.6	5.5
164	138	Aberthaw Cem.	144	.....	6.76	ф	7.3	ф
17	13	Allied Plant 10p	15	.....	†h0.7	6.1	7.1	4.7
75½	59	Armitage Shanks	62	.....	4.26	1.2	10.4	(11.2)
272	220	A.P. Cement £1	242	+4	9.34	q2.9	5.9	9.0
251	203	BPB Inds. 50p	223	+3	†6.93	4.6	4.7	7.0
34	31	Baggeridge Brk.	32	.....	2.33	1.4	11.1	9.8
15	10	Bailey Ben 10p	11	.....	‡d0.55	1.8	‡	11.2
49	44	Bambergers	48	.....	†2.9	3.1	9.2	5.4
128	100	Barratt Dev. 10p	109xd	–1½	†8.06	2.5	11.2	4.9
27½	20½	Beechwood 10p	24½	+½	1.83	2.0	11.3	7.0
31	18	Benlox 20p	19	.....	‡0.75	—	6.0	—
57	47	Benford M. 10p	47	.....	1.82	4.4	5.9	5.8
69	64	Bett Bros. 20p	65	.....	d1.7	5.4	4.0	7.3
70	64	Blockleys 20p	68	.....	†3.46	3.1	7.7	6.5
67	61	Blundell Perm.	64½	+1	2.89	3.4	6.8	6.3
85	75	Breedon Lime	78	.....	4.89	ф	10.0	ф
30	21	Brit. Dredging	27	–1	‡0.3	—	‡	—
88	24	Brown Jksn. 20p	83	+2½	1.0	ф	‡	ф
55½	48½	Brownlee	55½	+½	†2.03	2.8	5.5	9.5
58	36	Bryant Hldgs.	55	.....	†2.26	2.2	5.7	11.0
174	153	Burnett & H.	159	+2	†d2.6	9.9	2.5	6.2
190	175	Burt Boulton £1	180	.....	d10.15	3.5	8.5	5.1
25	22	C. Robey 'A' 10p	24	.....	1.52	2.3	9.6	6.8

BUILDING INDUSTRY—Cont.

DRAPERY AND STORES—Cont.

ENGINEERING—Continued

HOTELS—Continued

INDUSTRIALS (Miscel.)

ELECTRICAL AND RADIO

CHEMICALS, PLASTICS

ENGINEERING MACHINE TOOLS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

هكذا من الأجل

INDUSTRIALS—Continued

1978 Low	Stock	Price	+ or —	Div Net	Cvr	Y'ld Gr's	P/E
32	L.K. Ind'l Invs.	40	......	2.60	φ	16.2	φ
37	L.R.C. Int. 10p	39	-½	†2.23	2.6	8.7	7.0
53	Lawtex	55	+1	2.91	4.8	8.0	3.9
128	Lead Inds. 50p	142xd	+2½	7.37	q2.5	7.9	6.2
99	Leadenhall Sterling	105	......	4.09	φ	5.9	φ
38	Le Bas (Ed.)	42	......	†1.65	—	6.0	—
43½	Leboff Fobel 10p	52	......	†1.62	2.5	4.7	12.8
46	Lebus Harris	47	-1	3.27	2.9	10.5	(3.8)
134	Leigh Ints. 5p	146	+4	6.55	1.5	5.7	17.8
102	Leisure Car. 10p	108	+1	†b4.03	b2.2	5.7	12.4
235	Lep Group 10p	235	-2	†3.1	8.9	2.0	5.9
57	Lesney Prods. 5p	64	......	†d2.64	4.6	6.2	5.0
93	Letraset 10p	141	-1	b5.39	2.4	5.8	9.2
15	Liden 10p	17	......	—	—	—	—
32	Lindsay & Wms.	44xd	+1½	3.00	φ	10.3	φ
128	Lindustries	141	+1	9.0	2.0	9.7	7.3
24	Lon. & Nthn. Grp.	27	-1	†2.0	2.4	11.2	5.6
34	Long Hmbly. 10p	36½xd	......	g1.58	5.8	6.6	3.2
52	Longton Trans.	57	......	†d3.46	3.7	9.4	3.2
68	Lonsdale Univrsl.	80	+1	4.63	2.3	8.8	5.8
163	Low & Bonar 50p	173	......	10.89	φ	9.5	φ
54	M.Y. Dart 10p	59xd	+1	†2.14	3.9	5.5	5.3
18	Macanie Ldn. 10p	19	......	1.80	1.1	14.3	(8.8)
90	M'c'rthy Ph. 20p	98	......	3.94	4.1	6.1	4.7
60	Macfarlane Gp.	62	......	3.84	φ	9.4	φ
315	McBride Rbt. 10p	420	......	4.90	φ	1.8	φ

INSURANCE

INSURANCE—Continued

1978 High	Low	Stock	Price	+ or —	Div Net	Cvr	Y'ld Gr's	P/E
606	511	Sun Alliance £1	534	-2	20.15	—	5.8	—
108	93	Sun Life 5p	99xd	+½	†3.42	—	5.2	—
957	679	Taisho Mar. EDR	863	-3	‡Q10%	—	0.6	—
165	155	Trade Indemnity	165	......	8.47	—	7.8	—
£28⅛	£17⅝	Travelers $2.50	£27⅝xd	+⅞	Q$1.68	—	3.4	—
303	257	Willis Faber	260xd	-1	9.0	2.4	5.2	11.8

MOTORS, AIRCRAFT TRADES

Motors and Cycles

1978 High	Low	Stock	Price	+ or —	Div Net	Cvr	Y'ld Gr's	P/E
30	20	Brit. Leyland 50p	25	-3	—	—	—	—
272	185	Gen. Mts. Units	263	+3	Q34c	1.7	7.3	8.0
53	37	Lotus Car 10p	46	......	—	—	—	—
7	5½	Reliant Mtr. 5p	6½	......	—	—	—	11.9
91	63½	Rolls-Royce Mtrs.	87½	-½	†5.16	2.4	8.9	8.4
£14¼	762	Volvo Kr50	£13¼	......	Q12%	0.6	5.5	30.6

Commercial Vehicles

1978 High	Low	Stock	Price	+ or —	Div Net	Cvr	Y'ld Gr's	P/E
120	82	E.R.F. (Hldgs.)	111	+4	h2.17	6.4	3.0	5.5
63	49	Fodens (50p)	58	......	†3.25	5.7	8.5	(2.3)
12½	9	Peak Investts. 10p	10	......	0.5	2.9	7.7	6.9

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

1978 High	Low	Stock	Price	+ or —	Div Net	Cvr	Y'ld Gr's	P/E
347	297	Prop Hldg. & Inv.	297	......	g6.54	2.3	3.3	38.5
109	77	Prp. Inv. & Fin. £1	109	+1	‡14.0	0.8	5.6	(36.1)
86	64	Prop. Part'ship	86	......	†1.59	2.0	2.8	27.6
315	290	Prop. & Rev. 'A'	290	......	d4.69	1.5	2.4	41.4
156	127	Prop. Sec. Inv. 50p	132	......	†1.88	—	2.2	—
6¾	3	Raglan Prop. 5p	4¾	......	—	—	—	—
15	8	Regalian	9½	......	—	—	—	—
87	75	Regional Prop.	78	......	g1.0	1.5	1.9	(47.7)
77	59	Do. 'A'	59½	......	g1.0	1.5	2.5	(51.6)
115	89	Rush & Tompkins	109	+3	2.90	φ	4.1	φ
96	72	Samuel Props.	72	-1	‡d2.1	0.6	‡	(92.5)
118	97	Scot. Metrop. 20p	100	+1	†1.94	1.2	3.0	44.7
43	35½	Second City 10p	36	......	†1.73	1.9	7.3	10.9
129	100	Slough Ests.	101	......	2.27	1.8	3.4	24.4
£174	£140	Do. 10%Conv. '90	£142	......	Q10%	13.4	(7.2)	—
270	216	Stock Conversn.	226	......	b2.0	2.4	1.3	47.2
228	170	Sunley (B.) Inv.	170	......	3.95	—	3.5	—
53	31½	Swire Properties	53	-½	Q18½c	φ	4.6	φ
70	56	Town Centre	57½	-½	0.82	1.2	2.2	57.5
17	12	Town & City 10p	12½	......	0.01	—	—	—
98	82	Trafford Park	93	+2	†3.65	1.4	6.1	17.6
24	18½	U.K. Property	18½	-½	—	—	—	—
282	242	Utd. Real Prop.	245	......	5.17	1.2	3.2	40.7
148	119	Warner Estate	120	......	2.66	1.5	3.4	30.4
292	262	Warnford Inv. 20p	270	......	†4.86	1.6	2.7	34.4

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INV. TRUSTS—Continued

1978 High	Low	Stock	Price	+ or —	Div Net	Cvr	Y'ld Gr's	P/E
66	56	Cedar Inv.	63	......	2.5	1.1	6.0	23.9
140	124	Chan'l Is. Inc. £1	140	+4	Q15.0	φ	12.0	φ
500	455	Do. Cap.	500	......	—	—	—	—
55	46	Charter Trust	53½	......	2.15	1.0	6.2	23.4
29¼	26	City & Com. Inc.	27	+¼	1.82	1.0	10.2	14.6
109	76	Do. Cap. (£1)	96	-1	—	—	—	—
80	48½	City & For. Inv.	79½	+½	—	—	—	—
100	85	City & Intern'l.	93	......	†4.07	1.1	6.7	21.1
64	62	City of Oxford	64	......	†3.05	0.9	7.2	22.5
82	76½	Claverhouse 50p	78½	......	3.8	1.0	7.3	20.5
12	6½	Clifton Invs. 10p	7½	......	—	—	—	—
73½	58½	Clydesdale Inv.	73	......	†1.67	1.0	3.5	45.4
73	57	Do. "B"	71	......	—	—	—	—
245	212	Colonial Secs. Dfd.	230	+2	8.1	1.2	5.3	24.6
202	160	Continent'l & Ind.	190	+2	†5.84	1.1	4.7	30.2
112	94	Continent'l Union	105	......	†2.89	1.3	4.2	29.0
169	116	Cres't Japan 50p	169	+2	—	—	—	282.1
79	68	Crossfriars	69	......	†3.32	1.0	7.3	20.1
30	24	Cumulus Inv.	24	......	0.8	1.0	5.0	30.6
44	38½	Danae (Inc.) (50p)	40½	+½	†2.37	1.1	10.8	13.4
4	3½	Do. (Cap.) 10p	3½	......	—	—	—	—
65	56	Debenture Corp.	62	-1	h2.40	1.1	5.9	23.3
216	200	Derby Tst. Inc. £1	214	+2	13.43	0.9	9.5	18.4
164	140	Do. Cap. 50p	144	......	—	—	—	—
190	172	Dominion & Gen.	182	......	6.85	1.1	5.8	24.9

Finance, Land, etc.

FINANCE, LAND—Continued

1978 High	Low	Stock	Price	+ or —	Div Net	Cvr	Y'ld Gr's	P/E
67	38	Majedie Invs. 10p	67	......	0.68	2.2	1.5	45.9
74	48	Martin (R.P.) 5p	49	......	‡5.98	1.1	‡	7.4
£12⅛	920	Mass. Mrt. & Rlty.	£11⅝	-⅛	Q$1.16	—	6.2	—
18	14	N.M.C. Invs. 12½p	15	......	1.3	0.7	13.1	16.1
330	200	Nippon Fd. Stg. 10p	320	+5	—	—	—	—
13½	9½	Parambe 10p	13	......	—	—	—	—
32	21½	Park Place Inv.	25½	+½	†1.0	3.6	5.9	5.7
204	167	Pearson (S.) & Son	181xd	......	6.31	q3.5	5.7	7.6
£70⅞	£43¾	Pretoria (S.) Fr.250	£66	......	Q9.4%	—	4.5	—
11	10	St. George 10p	10½xd	+½	0.48	φ	6.9	φ
131	90	Scot. & Merc. 'A'	95	-1	3.02	1.7	4.8	18.4
£51	£48	S.E. Europe Ann.	£50	......	Q4.25	—	8.5	—
61	51	Smith Bros.	57	......	†4.91	2.1	13.1	6.0
8¾	7½	Stm. Pac. HK50c	8¾	......	—	—	—	4.1
£49⅜	£27¼	Suez Fin. NF100	£48	-1½	Q22%	—	5.9	—
975	900	Trans. Nat. Tst. 1p	975	......	[illegible]	1.6	‡	‡
28	24	Wstn. Select. 20p	24	......	[illegible]	1.2	15.3	9.9
53	36½	West of England	49	......	†1.38	3.7	4.3	9.6
87	70	Yule Catto 10p	75	-1	1.39	3.8	2.9	9.7

FINANCE

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

DIAMOND AND PLATINUM

MINES—Continued

CENTRAL AFRICAN

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
210	155	Falcon Rh. 50c	180	......	Q50c	1.3	23.7
24	17	Rhod'n Corp. 16½p	19	......	0.56	φ	4.5
73	52	Roan Cons. K4	65	......	—	—	—
147	122	Tanganyika 50p	146	-1	Q11.0	1.1	7.5
80	78	Do. Pref. 80p	80	......	Q9%	16.4	9.0
41	32	Wankie Col. Rh.1	37	......	†Q7½c	1.4	17.3
12½	10	Zam. Cpr. SBD0.24	12	......	—	—	—

AUSTRALIAN

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
12	10	Acmex 25c	10	......	—	—	—
113	64	Bougainville 50Toea	103	-2	Q8c	1.4	4.9
78	63	BH South 50c	76	+2	—	—	—
217	148	Conzinc Riotinto 50c	214	......	Q10c	2.2	2.9
72	48	G.M. Kalgoorlie $1	52	......	—	—	—
136	81	Hampton Areas 5p	128	-5	1.45	4.1	1.7
17	10	Metals Ex. 50c	14	-1	—	—	—
187	125	M.I.M. Hldgs. 50c	181	-3	Q9c	1.7	3.1
24	10	Mount Lyell 25c	23	......	—	—	—
2½	1½	Newmetal 10c	2	......	—	—	—
112	79	North B. Hill 50c	108	-2	Q8c	1.5	4.6
11½	8½	Nth. Kalgurli	9½	-½	—	—	—
156	117	Oakbridge $A1	152	+3	†Q11c	1.9	4.5
40	30	Pacific Copper	33	......	—	—	—
£11¼	750	Pancont'l 25c	£11¼	+1	—	—	—
18½	12	Paringa M&Ex. 5p	17½	+½	—	—	—
480	310	Peko-Wallsend 50c	462	-3	Q15c	4.0	2.0
122	84	Westn. Mining 50c	119	-1	Q6c	1.4	3.1
50	35	Whim Creek 20c	40	......	—	—	—

TINS

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
30	24	Amal. Nigeria	24	......	†2.51	1.6	15.9
310	240	Ayer Hitam $M1	310	......	[illegible]	0.9	‡
55	45	Beralt Tin	52	+1	3.75	φ	11.5
265	200	Berjuntai $M1	265	+5	‡Q110c	φ	‡
140	111	Geevor	135	......	18.05	3.4	20.3
10	8½	Gold & Base 12½p	9½	+½	—	—	—
270	220	Gopeng Cons.	230	......	15.0	0.9	10.0
160	130	Hongkong	160	......	—	—	—
93	78	Idris 10p	80	......	7.5	φ	14.2
11	10	Jantar 12½p	11	......	—	—	—
73	65	Kamunting $M0.50	69	......	‡Q15.5c	0.7	4.8
460	450	Killinghall	460	......	Q125	φ	27.2
320	280	Malay Dredging $M1	315	......	†Q95c	0.8	6.5
54	40	ΔPahang	54	......	†Q2.5	0.5	4.6
58	50	Pengkalen 10p	50	......	6.5	1.3	19.7
190	165	Petaling $M1	185	......	mQ12½c	10.9	1.4
61	49	Saint Piran	56	......	g1.99	4.6	5.4
61	47	South Crofty 10p	55	......	h4.13	1.5	11.4
180	140	South Kinta $M0.50	165	......	‡Q77.8c	1.4	10.1
280	230	Sthn. Malayan $M1	255	......	‡Q131.3c	1.1	11.1
183	134	Sungei Besi $M1	183	......	—	—	—
70	55	Supreme Corp. $M1	70	......	ZQ10c	—	3.1
100	85	Tanjong 15p	90	......	6.5	φ	10.9
90	74	Tongkah Hrbr. $M1	90	......	[illegible]	1.6	13.6
192	148	Tronoh $M1	190	-2	ZQ88c	φ	10.0

COPPER

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
96	70	Messina R0.50	90	......	‡Q30c	1.9	‡

MISCELLANEOUS

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
15	9	Burma Mines 17½p.	15	+2	—	—	—
300	220	Cons. Murch. 10c	245	......	Q30c	2.6	7.3
385	245	Northgate C$1	370	+20	—	—	—
210	164	R.T.Z.	195xd	+1	9.5	2.8	7.4
46½	30	Sabina Inds. C$1	34½	+1½	—	—	—
£11	750	Tara Exptn. $1	£11	+1¼	—	—	—
45	43	Tehidy Minerals 10p	43xd	+½	1.33	φ	4.7
162	120	Yukon Cons. C$1	154	......	Q7c	φ	2.2

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 34 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- φ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: *cover relates to previous dividend or forecast.*
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for *dividend at a future date. No P/E ratio usually provided.*
- ♥ Excluding a final dividend declaration.
- ‡ Regional price.
- || No par value.

a Tax free. *b Figures based on prospectus or other official estimate.* c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based *on previous year's earnings.* v *Tax free up to 30p in the £.* w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and *yield.* B *Preference dividend passed or* deferred. C Canadian. D Cover and P/E ratio exclude profits of U.K. aerospace subsidiaries. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1977-78. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Dividend and yield *based on prospectus or other official estimates for 1977.* Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 40

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a ***fee of £400 per annum for each security***

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	23	......	Sheff. Refrshmt.	50	......
Ash Spinning	45	......	Sindall (Wm.)	85	......
Bertam	22	......			
Bdg'wtr. Est. 50p	270	+2			
Clover Croft	22	......	***IRISH***		
Craig & Rose £1	410	......			
Dyson (R. A.) A	40	......	Conv. 9% '80/82	£93	-½
Ellis & McHdy.	65	......	Alliance Gas	65	......
Evans Fr'k. 10p	57xd	......	Arnott	320	+30
Evered	13½	......	Carroll (P.J.)	88	......
Fife Forge	50	......	Clondalkin	100	......
Finlay Pkg. 5p	20	......	Concrete Prods.	128	......
Graig Ship. £1	150	......	Heiton (Hldgs.)	49	......
Higsons Brew.	77	......	Ins. Corp.	185	......
I.O.M. Stm. £1	145	......	Irish Ropes	120	......
Holt (Jos.) 25p	252	......	Jacob	65	......
N'thn. Goldsmith	55	......	Sunbeam	32	......
Pearce (C. H.)	128	......	T.M.G.	180½xd	......
Peel Mills	19	......	Unidare	95	......
Sheffield Brick	48	......			

OPTIONS
3-month Call Rates

Industrials		I.C.I.	23	Tube Invest.	30
A. Brew	6½	"Imps"	7	Unilever	40
A.P. Cement	18	I.C.L.	20	Utd. Drapery	7½
B.S.R.	9	Inveresk	7	Vickers	15
Babcock	10	KCA	5	Woolworths	6
Barclays Bank	25	Ladbroke	17		
Beecham	38	Legal & Gen.	14	**Property**	
Boots Drug	15	Lex Service	7	Brit. Land	3¼
Bowaters	16	Lloyds Bank	22	Cap. Counties	5
B.A.T.	24	"Lofs"	5	E.P.	5
British Oxygen	6	*London* Brick	5	Intreuropean	4
Brown (J.)	20	Lonrho	7	Land Secs.	18
Burton 'A'	13	Lucas Inds.	25	MEPC	12½
Cadburys	5	Lyons (J.)	13	Peachey	10
Courtaulds	10	"Mams"	7	Samuel Props.	10
Debenhams	10	Mrks. & Spncr	11	Town & City	2
Distillers	13	Midland Bank	25		
Dunlop	8½	N.E.I.	20	**Oils**	
Eagle Star	11	Nat. West. Bank	22		
E.M.I.	18	Do. Warrants	10	Brit. Petroleum	35
Gen. Accident	17	P & O Dfd.	10	Burmah Oil	7
Gen. Electric	18	Plessey	9	Charterhall	3½
Glaxo	40	R.H.M.	5	Shell	28
Grand Met.	9	Rank Org. 'A'	18	Ultramar	22
G.U.S. 'A'	18	Reed Intl.	14		
Guardian	18	*Spillers*	4	**Mines**	
G.K.N.	22	Tesco	4	Charter Cons.	12
Hawker Sidd.	20	Thorn	22	Cons. Gold	20
House of Fraser	12	Trust Houses	15	Rio T. Zinc	16

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES
Wednesday May 3 1978

IMF team in London next week

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

AN INTERNATIONAL Monetary Fund team will visit London towards the end of next week for talks with the Treasury about whether the U.K. will keep the standby credit from the Fund in being for the rest of this year.

The existence of the standby credit is what binds the U.K. to the policy guidelines agreed with the fund at the end of 1976 and reaffirmed last December.

A firm decision apparently has not been taken. The issue turns on whether the Government wishes publicly to reassure the markets about the U.K.'s resolve to stick to firm borrowing and monetary guidelines.

This view may have attractions in view of the recent unsettled state of foreign exchange markets but could be counterbalanced by the domestic political advantages of appearing to stand openly independent from the fund.

The decision is largely a tactical one, with no major practical consequences. If the standby lapsed, the U.K. would retain its own money supply target and a public sector borrowing estimate just below the limit agreed with the fund.

The official view is that the U.K. does not require the fund to have responsible policies.

A continuation of the standby until its expiry at the end of the year would require a review of policies, mainly involving a new ceiling for domestic credit expansion. In December, the existing ceiling for 1977-78 was extended to June.

In his Budget speech, Mr. Denis Healey, Chancellor, said domestic credit expansion in 1978-79 would be below the £6bn. level set out originally.

Discussions on the standby are completely separate from decisions on repayment of the $1.9bn., out of the $3.9bn. loan, eventually drawn. The Government has already announced early repayment of part of its borrowings from the fund.

For 10 days

The visit is expected to last about ten days and involves the normal annual consultations under the fund's articles to cosider the ecoomic policies of member countries.

There is likely to be particular interest in exchange rate policy and the prospects for the current account, which have deteriorated since the last visit by the fund at the end of last year.

The talks are expected to be straightforward, since there are no important outstanding points between the U.K. and the IMF.

Portugal accepts £430m. aid terms

BY JIMMY BURNS

LISBON, May 2.

PORTUGAL and the International Monetary Fund have agreed on the terms Portugal must accept before being granted nearly $800m. (£430m.) worth of western aid to cover its balance of payments deficit.

According to Dr. Silva Lopes, the governor of the Bank of Portugal and one of the chief Portuguese negotiators, an agreement was concluded this week-end. Formal ratification of the Letter of Intent, however, still awaits the approval of the Portuguese Council of Ministers and the executive directors of the IMF.

In spite of continuing official secrecy on the exact conditions, the Portuguese team is believed to have succeeded in moderating the IMF's original stringent demands, particularly regarding the increase in bank lending rate, the target for a reduction in the balance of payments deficit, and a suggested devaluation of the escudo.

Although the figures may not be officially realeased until later this month, it now appears certain that the increase in bank lending rate will fall below the 7 per cent. originally demanded by the IMF.

Both sides are known to have agreed that the balance of payments deficit, now estimated at $1.475bn., should be reduced to $1bn.

Finally, in spite of speculation last week that there would be a dramatic and sudden devaluation of the escudo, Portuguese officials are believed to have convinced the IMF on the need gradually to devalue the currency over a 12-month period.

Since negotiations between the Portuguese and the IMF were resumed more than a month ago, the ruling alliance of Socialists and Christian Democrats has implemented a number of austerity measures in line with the general stabilisation programme which the IMF thought was necessary.

This included a tough budget, proposing major cuts in public and private spending, which the Portuguese Assembly formally approved on April 13.

Second reading for Immunity Bill to-day

BY MARY CAMPBELL

THE NEW State Immunity Bill, which will in certain circumstances, abolish the immunity of sovereign states and their agencies from being sued in the English courts, is to have its second reading in the House of Commons to-day.

Sovereign states have, in recent years, been engaging in an increasing range of commercial activities. That they are immune from being sued in English courts put London's financial community at a disadvantage compared with New York, where the law was changed in 1976.

The State Immunity Bill, aimed at bringing English law into line with that in the U.S., has been amended substantially since its introduction in the House of Lords in January.

Although there are still minor points to be resolved, the Bill is being welcomed by the commercial and legal community in its present form.

The swift passage of the Bill has been made all the more important by the fact that the case of Trendtex Trading Corporation v. the Central Bank of Nigeria now looks like being settled out of court.

An Appeal Court ruling in this case had seemed, where a state was acting in a commercial capacity, to reverse the traditional principle of English law that states are immune from being sued.

Attitude to Russia unaltered —Premier

By Richard Evans, Lobby Editor

THE POLITICAL storm over remarks made in China by Sir Neil Cameron, Chief of the Defence Staff, referring to Russia as the "common enemy" was met by the Prime Minister yesterday with an assurance that Britain's relations would not change with either China or Russia.

"The remarks made by Sir Neil (to Chinese tank officers near Peking) should not be regarded as altering, extending, modifying or changing in any way the present relationship between Britain and China and Britain and the Soviet Union," said Mr. Callaghan.

Although Ministers were obviously embarrassed by the off-the-cuff comments of Sir Neil, the hope now is that the matter will be quickly forgotten, in spite of protests yesterday from the Labour Left-wing.

The belief at Westminster was that Sir Neil went to Peking partly to assess possibilities for arms sales, but had sought to reassure the Chinese too lavishly on Britain's relationship.

The Commons exchanges showed that the Opposition, led by Mrs. Margaret Thatcher, Conservative leader, was openly enthusiastic about Sir Neil's attitude to Russia, while moderate Labour MPs were in no mood to criticise him. This left the Labour Left-wing isolated and largely ineffective.

Rebuke

Both Mr. Callaghan and Mr. Fred Mulley, Defence Secretary, mildly rebuked Sir Neil by implication for referring to Russia in such openly hostile terms, but their general attitude was to play the whole issue down.

Mr. Mulley said that "there was nothing in the impromptu remarks that Sir Neil made that suggests it should diminish my confidence in him as my chief military adviser."

Mr. Callaghan commented that one or two of the remarks made by Sir Neil might have been phrased a little differently, but he insisted that he retained the maximum confidence in the Chief of the Defence Staff.

David Satter writes from Moscow: The Communist Party newspaper Pravda yesterday called on the British authorities to give an explanation for Sir Neil's remarks.

In an unusually swift Soviet response to foreign comment, Pravda said Sir Neil's comments about the threat posed by the growing strength of the Soviet tank force were "incendiary" and "not in keeping with Soviet-British relations."

Remarks

The newspaper said that Sir Neil, who by his own account, was moved by the warm Chinese welcome, "lost control of himself" and "swaggered" before Chinese officers like an "intoxicated hare."

Pravda said it would be possible to ignore Sir Neil's remarks except that he represented the British Government and official London had been silent in response. "Is it because the words from Peking did not reach it, or does it not hear them?"

Pravda said fear of the "Soviet menace" was not new and compared Sir Neil to "the notorious" James Forrestal, former U.S. Defence Secretary, who it said, "clamoured as noisily about the Soviet menace in the years of the Cold War."

Sir Neil yesterday left *Peking for Shanghai* on the last leg of his week-long visit to China.

Parliament Page 10

United Trawlers switch will mean loss of 265 jobs

BY RICHARD MOONEY

BRITAIN'S BIGGEST fishing company yesterday announced plans which will cost the jobs of 265 onshore workers in Grimsby and Hull, nearly a third of its employees at the two ports.

British United Trawlers, whose parent company Associated Fisheries lost £1m. in the first quarter of this year, is instituting a rationalisation plan which will take Grimsby's last six freezer-trawlers across the Humber to Hull contributing to the loss of 190 Grimsby shore jobs.

The vessels will not provide enough employment in Hull to prevent substantial redundancies there as well, and the company plans to make 75 Hull shore workers redundant.

The redundancies are being blamed on the decline in the wet ...fish sector following Britain's exclusion from Icelandic water and severe restrictions in the North-east Arctic. In the last three years about a third of the port's deep sea fleets have been laid up or put to other uses. Sea-going jobs have been cut back proportionately but the decline in on-shore jobs has lagged a long way behind. The plan announced yesterday would just about redress this imbalance.

The Government promised to give all possible help to the employees whose jobs are threatened. But temporary employment subsidies appear unlikely.

In the absence of greatly increased fish landings there is little hope of the company finding employment for the surplus workers and the provision of a subsidy would merely delay eventual redundancy. The company is studying the position but has not yet applied for employment subsidies.

Mr. John Silkin, the Minister of Agriculture, also responded to the concern over the future pattern of U.K. fishing voiced in the statement. "The Government is steadfast in its resolve to secure a fair deal for the British fishing industry in the negotiations with its EEC partners," he declared.

The six extra vessels will take the Hull freezer fleet to 32 (Britain's entire fleet) but this will still be about eight fewer than a year ago. Many companies have laid-up trawlers or diverted them to oil rig supply duties and British United Trawlers itself has sent three Hull vessels to fish in Australian waters.

The loss of the vessels will increase Grimsby's financial difficulties. About a fifth of the port's income has been coming from its freezer fleet.

Mr. Graham Hellyer, managing director of British United Trawlers, said he hoped further redundancies would not be necessary. But he was not confident—"our fate is not in our own hands," he said.

Salisbury calls on guerillas to stop fighting

BY TONY HAWKINS

SALISBURY, May 2.

RHODESIA'S transitional government to-night called on nationalist guerillas fighting in the country to lay down their ars "and restore peace to our land."

The four-man executive council, consisting of Bishop Abel Muzorewa, the Rev. Ndabaningi Sithole, Chief Chirau and Mr. Ian Smith, issued a statement saying that now majority rule had been achieved there was no case for further fighting.

The statement added that in order to ensure "free political activity" in the period before the first election it had been decided to life the lung standing bans on the two original nationalist parties ZAPU — led by Mr. Joshua Nkomo — and ZANU — the leadership of which is disputed by Mr. Sithole in Rhodesia and Mr. Robert Mugabe in Mozambique.

More than 700 had already been released from detention and the cases of the remaining detainees—a little over 200—wer underconsideration.

The statement said most of the guerillas fighting for majoritq rule now knew that "the battle has been won" and that the time had come to join us in the peaceful transition to majority rule." Their safety would be guaranteed.

"Through our contacts with them, detailed arrangements are being made for their reception and to enable them to return to their homes and rejoin their families if they wish to do so."

The statement said that protected villages—long a major target of criticism in the eyes of the African people—would be dismantled as the fighting died down.

The purpose of protected villages was to enable the security forces to provide better protection against attack for the people inrural areas. But the executive realised that thea PVs (as they are called) were unpopular since people preferred to live freely and without restriction in their areas. Wherever possible restrictions on the movements of occupants of the protected villages would now be eased.

The executive repeated that "nobody" was barred or excluded from the process of securing a transition to majority rule.

Meanwhile Bishop Muzorewa's United African National Council issued a statement which apparently clashed with the executive council's call for a ceasefire in the guerilla war.

The UANC said it was "tantamount to putting the cart before the horse" to call for a ceasefire before eliminating racial discrimination, releasing all political prisoners and dismantling all protected villages.

The UANC said its final decision on continued participation in the agreement—following the week-end dismissal of Mr. Byron Hove, the former Justice Minister—would be made at a national executive meeting on Sunday. The party said Bishop Muzorewa had not been party to Mr. Hove's dismissal.

Reuter adds: The leaders of Rhodesia's interim government announced moves to heal the rift over the dismissal of Mr. Hove. The executive council said it had appointed an all-party committee to settle the dispute. It planned to remain united in support of the Salisbury agreement setting up the multi-racial government despite any differences.

Bank explains need for support operation

BY MICHAEL BLANDEN

THE THREAT of "a widening circle of collapse through the contagion of fear" was the main factor which prompted the Bank of England to mount the £1.2bn. "lifeboat operation" to support the fringe banks.

This is stated by the Bank in new evidence to the Wilson committee on the financial institutions which was released to-day.

For the first time the Bank examines the circumstances which led to the fringe bank crisis and highlights weaknesses in the official supervisory arrangements which made it possible.

The evidence draws attention to the impact of the property boom in the early 1970s, when with finance readily available for development, "far too much of it was undertaken all at once."

The Bank's paper underlines the precarious nature of the business being undertaken by many of the fringe banks during that period. They found they had easy access to deposits on the rapidly expanding money markets, but ran the risk of serious liquidity problems when it became difficult to renew deposits.

The evidence makes no attempt to apportion the blame for allowing the situation to arise. But it makes clear that the Bank had no doubt about the need for prompt action when the storm blew up with the problems of London and County Securities in late 1973.

The creation of the lifeboat operation jointly with the clearing banks was initially designed to overcome what was thought to be a short-term liquidity problem. But the Bank's evidence underlines that the situation developed further to become a long-term problem.

Details Page 8

Shetland asks £1m. for lost oil rates

BY RAY PERMAN, SCOTTISH CORRESPONDENT

OIL COMPANIES building the Sullom Voe terminal in Shetland are to be presented with a bill for £1m. to cover loss of rate revenue.

The islands' council expected to begin charging rates on the installation this spring when oil started to flow through the pipeline from the Ninian Field. *Difficulties offshore* have meant delay at least until the autumn.

This resulted in a shortfall of about £1m. in the council's budget. Domestic rates went up by between a third and a half for most householders, and industry in the Shetlands faced a 400 per cent. rise.

The council has therefore decided to ask the 32 oil companies sharing in the Sullom Voe project to make up the lost revenue and pay for any future delays. A letter from the council chairman will be sent this week to British Petroleum, which acts as operator for the other companies.

An agreement covering the running of the port at the terminal has already been signed between the companies and the council, but a second document covering the lease of the site has still to be negotiated.

Weather

U.K. TO-DAY

RAIN at times in most areas.

London, S.E., Cent. S., Cent. N. and N.W. England, Midlands, N. Wales, Isle of Man, N. Ireland.
Cloudy, rain spreading from S.W. Max. 12C (54F).

Channel Is., S.W. England, S. Wales.
Rain, becoming brighter. Max. 14C (57F).

E. Anglia, E. and N.E. England, Lakes, Scotland, Glasgow, Argyll.
Cloudy, rain later. Max. 11C (52F.).

Borders, E. and N. Scotland
Dry, sunny spells. Max. 10C (50F).

Outlook: Unsettled.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Amstdm.	F	14	57	Madrid	C	11	52
Athens	C	22	72	Manchstr.	R	8	46
Bahrain	C	26	79	Melbourne	S	20	68
Barcelona	S	17	63	Milan	F	18	64
Belfast	C	8	46	Montreal	C	5	41
Belgrade	T	18	64	Moscow	C	8	46
Berlin	R	9	48	Munich	C	9	48
Brmghm.	R	7	45	Newcastle	C	8	46
Bristol	R	8	46	New York	S	11	52
Brussels	R	12	54	Oslo	F	12	54
Budapest	R	14	57	Paris	F	14	57
B. Aires	C	22	72	Perth	C	24	75
Cairo	S	35	95	Prague	R	9	48
Cardiff	C	8	46	Reykjavik	D	4	39
Chicago	S	8	46	Rio de J'o	S	27	81
Cologne	D	12	54	Rome	S	17	63
Copnhagn.	S	13	55	Singapore	S	32	90
Dublin	C	8	46	Stockholm	S	9	48
Edinburgh	C	7	45	Strasbg.	C	9	48
Frankfurt	R	12	54	Sydney	R	21	70
Geneva	F	11	52	Tehran	S	21	70
Glasgow	F	9	48	Tel Aviv	S	24	75
Helsinki	S	8	46	Tokyo	C	22	72
H. Kong	C	26	79	Toronto	S	6	43
Jo'burg	S	21	70	Vienna	C	15	59
Lisbon	R	13	55	Warsaw	R	9	48
London	R	9	48	Zurich	C	8	46
Luxembg	C	7	45				

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	C	16	61	Istanbul	C	23	73
Algiers	F	20	68	Jersey	F	12	54
Biarritz	F	16	61	Las Plms.	S	19	66
Blackpool	R	10	50	Locarno	F	17	63
Bordeaux	C	16	61	Majorca	S	18	64
Boulogne	R	9	48	Malaga	C	19	66
Casablnca.	F	19	66	Malta	S	18	64
Cape Town	S	20	68	Nairobi	C	16	61
Corfu	F	18	64	Naples	F	15	59
Dubrovnik	C	12	54	Nice	S	16	61
Faro	C	17	63	Oporto	R	12	54
Florence	F	14	57	Rhodes	F	23	73
Funchal	D	18	64	Salzburg	C	12	54
Gibraltar	F	15	59	Tangier	F	16	61
Guernsey	F	11	52	Tenerife	S	16	61
Innsbruck	C	13	55	Tunis	F	20	68
Inverness	S	9	48	Valencia	F	21	70
Isle of M.	R	8	46	Venice	F	16	61

S—Sunny. F—Fair. C—Cloudy. R—Rain. D—Drizzle. T—Thunderstorm. H—Haze.

THE LEX COLUMN

Indigestion for BHS in food

British Home Stores' share price has been under a cloud for the past 18 months and the latest results are not going to restore the group's former glamour rating. For the second year running sales growth has been decidedly sluggish and the 6 per cent. rise in pre-tax profits to £27.0m. is going to look even more unimpressive when set against to-day's figures from Marks and Spencer.

In the first half, profits were depressed by the poor showing of the non-food side where sales volume was down 3 per cent. In the second six months there was some recovery here, helped by the 3 per cent. or so increase in selling space during the year, but the food operations were by then feeling the draught of the High Street food price war and pre-tax profits were only 4 per cent. higher in the second six months. Admittedly, profits were hit by special factors such as a loss of £0.3m. on the Savacentre venture and a contribution to the employees' share participation scheme, but even so the performance looks dull.

Against an overall increase in sales of 12 per cent., British Home Stores' wage bill rose by 14½ per cent. and it appears to have been the relatively more labour intensive food operations which have been holding the group back. The food side has now been reorganised, a number of food units have been closed and the emphasis is on reducing the labour content of food sales—by moving towards greater reliance on pre-packed food, for instance.

BHS reckon that the recent measures could lop £1m. off its wages bill in a full year without affecting volume unduly. Given that the group expects to increase its selling space by about 6 per cent. in the current year, is budgeting for a lower growth rate in operating costs and already seems to be benefiting from the increase in consumer spending, profits of upwards of £30m. look on the cards. But the group still needs to prove that the recent deceleration in its sales growth is nothing more than a temporary hiccup. At 184p the yield is 5.2 per cent.—half a point more than the stores sector average.

Secondary banks

"Up to the time of the collapse of London and County the Bank did not much concern itself with secondary banks," wrote the Inspectors in their report on L. and C. It is a charge which is hardly challenged by the Bank of England in its background paper on the secondary banking crisis, produced at the request of the *Wilson Committee. The Bank* begins by apparently seeking to build up an atmosphere of mystery and convolution. The crisis was due to "a complex skein of macro- and micro-economic factors, which combined and interacted in a way that even in retrospect is difficult to unravel," it claims. But the problem can be put more simply. It turns out that the Bank expected the fringe bankers to fade away upon the abandoning in 1971 of the quantitative restrictions which had hampered the clearers, during the late 1960s. Instead, the secondary banks expanded with renewed vigour.

The excessive money supply growth between 1971 and 1973, and the consequent flows of resources into the property and financial markets, gave the fringe banks ample opportunity. The mystery which remains, however, is why the risks were not perceived by depositors earlier: the secondary banks had access to the money markets on virtually the same terms as the clearers or the accepting houses. Moreover the Bank appeared unconcerned when its theories about the fading away of the fringe were overturned; indeed as late as the summer of 1973 it was handing out the coveted banking authorisation to the likes of UDT. The Bank's paper has nothing to say on the Bank's thinking during this crucial period.

In retrospect, the muddle over banking status ranged from an authoris through Section 127 a Section 123 listing—w *factor.* The public had concept of quality. crisis broke the Ba devoted much more extending its su machinery: "substan provements have been are in prospect," it is meanwhile, some 44 the lifeboat is still st its two largest passeng and First National, a for nearly all the £656 standing at the end of

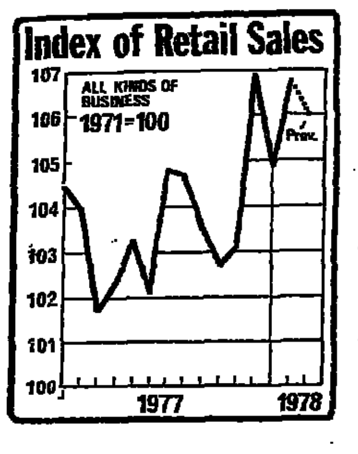
John Laing

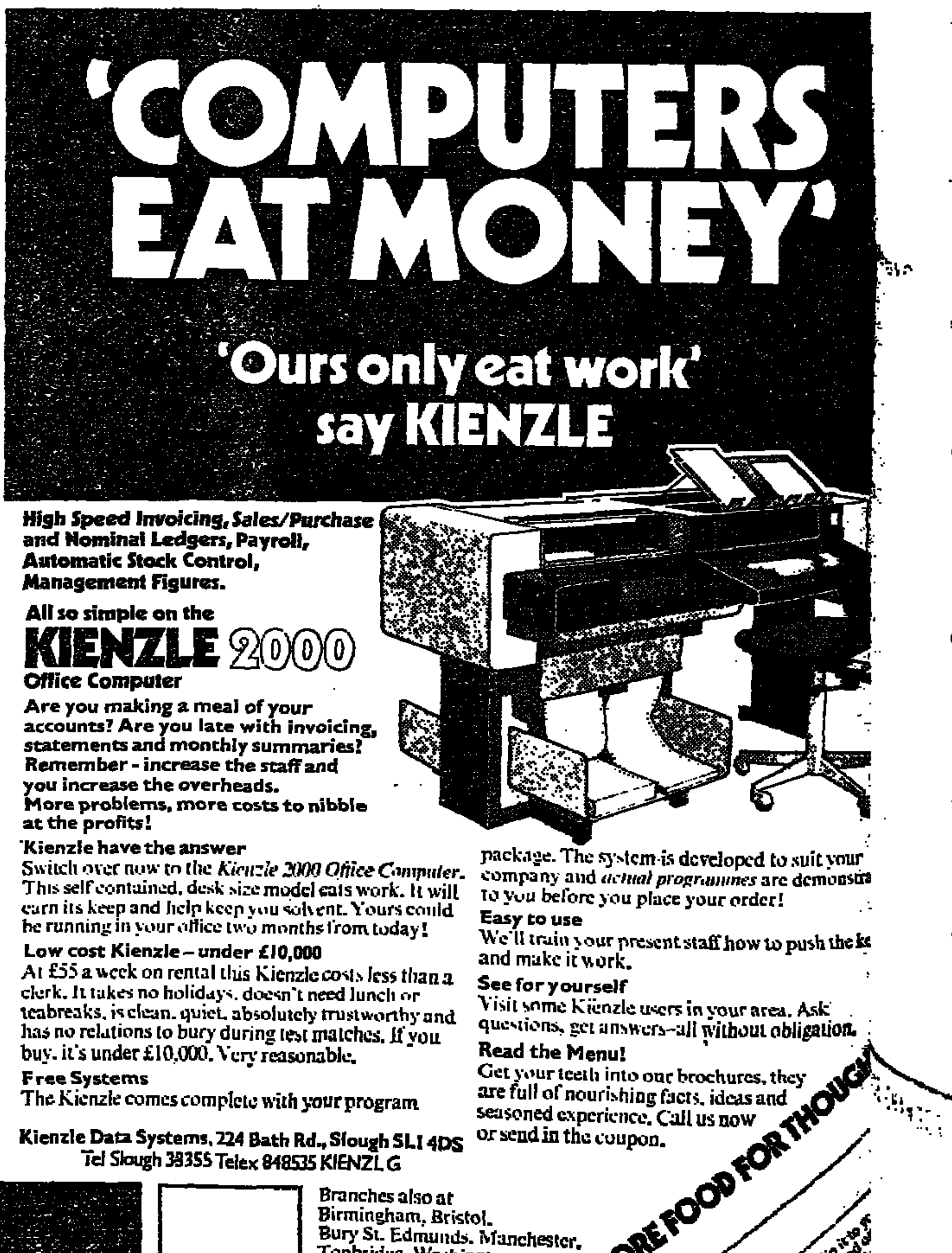
For years brokers' have pointed out th Laing's stock market *not really reflected* th lying value of the property portfolio. Laing Board is thin *tackling* the problem a scheme which would the formation of a independent listed com *its property investme* development activities. mentation would involve some form of reconstruction in which Laing shareholders wo up with a share each listed companies for ev they hold now.

The hope is that this able the market to each company's true wo viding shareholders w pieces of paper worth total than the one they present. The logic is ap The Laing Board val group's investment p at £85m., suggesting market capitalisation f of around £50m., allow associated debt. Yet non-property activities p fully taxed earnings £7m. in 1977, which on multiple of about 8 puts on this business alone o £55m. Together, it gives of £105m., against the £ which Laing is c capitalised after the sha gained 16p to 149p ye On these figures it is to fault Laing's rationale posing the scheme, shareholders may re another such asset sp of Montague Burton hopes were hardly reali

Laing's 1977 full-year meanwhile, are better t market had expected, a tax profits at 21m. are c ably ahead of the £18½ cast at half-time.

Index rose 3.9 to 469.6





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